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Yugoslavia

International—The Federal Assembly, Presidency, and Government has issued an appeal to Russian President Boris Yelstin, the Russian Supreme Soviet, and the Russian Government, according to TANJUG. The appeal asks that Russia "fully express the needed understanding and solidarity with the Serbian and Montenegrin nations" and "follow the most valuable examples from the history of our specific friendship." The appeal says Russia's "active involvement and consistent efforts to find a political way out of the current situation would be exceptionally useful."

Montenegro—President Momir Bulatovic told the republic's Assembly that because of the "nature and range" of the UN sanctions there was "no alternative but to comply with the Security Council demands," TANJUG reports. Bulatovic "stressed that illusions that one can live with these sanctions should not be fueled" and that "everything should be done" to end the embargo because the next phase would "essentially mean war and catastrophe." Bulatovic is also reported to have said the federation between Serbia and Montenegro may have been "a mistake" and "could be reexamined." According to TANJUG, gasoline prices rose "100 percent" on 4 June.

Bosnia-Hercegovina

Sarajevo radio reports that "the evacuation of the Marshal Tito Barracks has begun." According to TANJUG, the "peaceful" evacuation is taking place "in accordance with the agreement reached between Bosnia-Hercegovina authorities and the Army." A general alert in Sarajevo "is still in force."

"Bosnia-Hercegovina will have a new government within the next 48 hours at the latest," according to Presidency member Stjepan Kljujic. TANJUG notes that Kljujic was "unable to give any details."

Romania

Bucharest Radio reports that "over 260,000 tonnes of oil meant for Yugoslavia" are blocked at the port of Constanta "as a consequence of the embargo." According to ROMPRES, a government spokesman said the embargo against Serbia and Montenegro will cost Romania "approximately $350 million."

Albania

According to Tirana radio on 4 June, the Albanian Government issued a statement in which it "advocated the need for the strictest possible sanctions against Serbia and Montenegro, as the main culprits of the tragedy now taking place on the territory of what once was Yugoslavia." The government "is determined to enforce" the UN sanctions "fully."

Poland

After failing to survive a Sejm vote of no confidence by 273 to 119, Jan Olszewski's government was dismissed on 5 June after a five-month tenure. Following the vote, President Lech Walesa, who, according to Warsaw television, had requested Olszewski's "immediate dismissal" the evening before the Sejm vote, proposed Waldemar Pawlak of the Polish Peasant Party as the new prime minister. Pawlak susequently indicated in a televised address to the Sejm that he would "seek accord" with other parties and would attempt to form a "balanced government based on two coalitions."

Explosives Thrown at Vlore Port Security Forces

AU0406145492 Tirana Radio Tirana Network in Albanian 1330 GMT 4 Jun 92

[Moisi Dalipi telephone report from Vlore]

[Text] The calm was relative in the city of Vlore last night, as several organized people attempted to enter the port territory at about 0030 [2230 GMT 3 June]. They did not all obey the call of the police to turn back. The police then cleared these people from the port area. Several citizens responded to the forces of order, the police, and the port security forces by throwing explosives two or three times at a distance of about 2 meters, to test the response of the forces of order. Nevertheless, the forces of order did not react by using firearms against them. On the contrary, they arrested two persons who will be prosecuted.

Citizens from the city and nearby villages attempted to enter the port area at 1000 today. Prompt intervention by the forces of order forced them to leave and to encamp at a distance of about 200 meters from the port area.

It is worth mentioning that the political parties and the district's local government are not seriously committing themselves to helping the forces of order. We would even say that it is a duty of the Public Order Ministry not to rely only on reports, but to appeal to the people, because the rumor alleging an exodus from Vlore has certainly been spread by malicious people who do not want the stabilization of the country's economic situation.

Diber Hunger Strikers Demand Social Assistance

AU0406180392 Tirana Radio Tirana Network in Albanian 1330 GMT 4 Jun 92

[Text] Our Diber correspondent Sami Selishta reports that this is the third day that 31 herdsmen of the Diber Pastureland Enterprise have shut themselves up on hunger strike in the hall of their enterprise's headquarters. They demand 80 percent of their wages from 1 September to 1 November 1991 and social assistance to cover the period since that date. The government and the justice organs have suggested an alternative settlement. The health of six of the strikers has deteriorated, and the health service is providing the necessary care.

Transportation Minister Bitincka Gives Interview

AU0406142092 Tirana ATA in English 0948 GMT 4 Jun 92

[Text] Tirana, June 4 (ATA)—The reform in general and the indispensability of carrying privatization further in transport demand new directions in the work of the Ministry of Transports, the Minister of Transports Fatos Bitincka said in an interview with the ATA correspondent. Now the work of the leaders and specialists of the ministry aims at defining the policies of the development of transport in general, the road, railway, and air transports, defining the basic criteria for the exploitation of the means and the great investments made indispensable in the field of transport and telecommunication.

The market economy and the place this ministry should occupy in this economy, the interview stresses, are considered as primary important by the leaders of the ministry, defining the position of the ministry to follow and solve the new problems emerging. This demands a different structure from the former one. In defining the tasks and the links of the ministry, we have made use of the experience of several countries such as Hungary, Slovenia, Italy, etc. There are formed departments with a broader range of tasks having the basic criteria on which transport will be developed, the perspectives and roads for their realisation.

Then Minister Bitincka pointed out in the interview that foreign relations are rather useful as well as outlining of long-term policies which are linked with the development of the country in the field of transport. Some bilateral agreements are signed such as that with Greece, Turkey, Bulgaria, etc., and agreements with Italy, Slovenia, Britain, and other states are in the process of materialisation. These agreements have to do with the road, air, and sea transports of the commodities and passengers. They define the mutual obligations and facilities are created for both parties in the field of transport.

Local Government Bill Approved 'in Principle'

AU0406141692 Tirana ATA in English 0942 GMT 4 Jun 92

[Text] Tirana, June 4 (ATA)—On June 3 in the afternoon the parliament began to examine the draft law on some changes in the Law on the Main Constitutional Provisions for the Local Power. The Commission of Laws voiced the opinion that the draft law should be adopted in principle, at a time when special articles may have improvements which are not essential. Many deputies discussed. It should be underlined that the deputies of the Democratic Party, the Socialist Party, and the Social Democratic Party voiced the opinion that the draft law should be approved in principle. Deputies of the Socialist Party made remarks. Some of them said they should not hurry. At the proposal of the deputy Ali Spahia in the name of a group of deputies the voting was nominal. The law was adopted with the majority of votes. Some deputies of the Socialist Party abstained.

Then they passed onto the examining this draft law article per article.

Government Statement on Sanctions Against Serbia

AU0406194192 Tirana Radio Tirana Network in Albanian 1730 GMT 4 Jun 92

[Statement by the Albanian Government issued in Tirana on 4 June]

[Text] On 30 May, the UN Security Council voted for a total economic embargo against Serbia and Montenegro. According to the resolution in question, all UN member-states will forbid the importation to their territories of all products from Serbia and Montenegro and will suspend air traffic with these two former Yugoslav republics, except in humanitarian cases.

With this resolution, the UN Security Council also decided to freeze the assets, financial resources, and bank accounts of Serbian and Montenegrin banks abroad, to reduce the personnel of Serbian and Montenegrin Embassies and Consulates, to forbid participation in international sporting everts, and to suspend scientific and technical cooperation and cultural exchanges with these two former Yugoslav republics.

The Albanian Government always has advocated the need for the strictest possible sanctions against Serbia and Montenegro, as the main culprits of the tragedy now taking place on the territory of what once was Yugoslavia. For this reason, it strongly supports the recent UN Security Council resolution and is determined to enforce it fully, aware that in this way Albania may contribute significantly to punishing the aggressor and securing peace in the region.

In this context, the Albanian Government once again expresses its determination not to tolerate a single incident in which Albanian citizens or certain private firms may, through their activities, try to encourage the circulation of goods originating from Serbia or Montenegro, especially when they put themselves forward as Albanian representatives.

Such activities will be considered against the decision of the Albanian state to strictly enforce the UN Security Council resolution on economic sanctions against Serbia and Montenegro, and consequently will be subjected to inspection by the state authorities and to the appropriate penalties.

Reportage on Visit of Macedonian President

Discusses Cooperation with Meksi

AU0406142492 Tirana ATA in English 0819 GMT 4 Jun 92

[Text] Tirana, June 3 (ATA)—On June 3 before noon, the chairman of the Council of Ministers of the Republic of Albania, Dr. Aleksander Meksi received at the seat of the Council of Ministers the President of the Republic of Macedonia Kiro Gligorov, as well as the persons accompanying him. Present was also the deputy chairman of the Council of Ministers and minister of agriculture and nutrition, Rexhep Uka.

Premier Aleksander Meksi, after wishing them welcome to Albania, spoke of the relations of good neighbourliness existing between Albania and Macedonia. He pointed to the indispensability of strengthening cooperation in political, economic, and human fields so that they serve the mutual interests and the bilateral relations in the future. Speaking of the possibilities of cooperation between the two countries, he mentioned the fields of broadening cooperation in the sector of industry, agriculture, transport, construction, tourism, road construction, etc. One of the achievements in this direction, he said, would be the free movement of the people in and beyond the Albanian-Macedonian border. Likewise, Mr. Meksi voiced the readiness of the Albanian Government to further strengthen the links among the enterprises and firms, to exchange delegations, to sign bilateral agreements in various fields, especially in the technical one so that the cooperation, peace, and understanding between Albania and Macedonia help ensure a favourable climate between the two friendly countries.

On his part, Mr. Gligorov, after thanking for the warm reception, said that Albania and Macedonia, being neighbouring countries on the Balkan region, will strengthen the relations and cooperation with Albania in all fields of mutual interest. They devoted special importance to the opening of the new border points to strengthen bilateral contacts, to exchange experience among the specialists in various fields and create and apply in practice the various projects of common interest. We, as a government, Mr. Gligorov said, will help establish relations to cooperate in the best way and as soon as possible with each other.

Holds News Conference with Berisha

AU0406142292 Tirana ATA in English 0811 GMT 4 Jun 92

[Text] Tirana, June 4 (ATA)—After the meeting in the seat of the Presidency on June 3, the President of the Republic of Albania Sali Berisha and the President of the Republic of Macedonia Kiro Gligorov made the following statements for the press:

President Berisha said: "I think this meeting is extremely fruitful. Solving the problems through the spirit of dialogue and understanding, I am convinced that Albania and Macedonia today will create the model of the countries that passed from dictatorship to democracy, the model of the very good relations. We both discussed of the economic, political, and all sided cooperation. We discussed also on the possibilities of cooperation in the field of transport, the construction of the old street Egnatia, the extension of seaports. Macedonia and Albania may serve one another in many directions. We discussed to open new border points, of the rights of the Albanians in Macedonia. Mr. Gligorov voiced his will that they should enjoy their rights, be equal like other citizens of Macedonia. I voiced our complete readiness that the minority and the Macedonian citizens in Albania should enjoy all the rights.

President Gligorov said: "I may say with satisfaction we had a pleasant atmosphere, which made possible sincere and open talks for political, economic, and other matters

between the two peoples, in the context of the democratic processes which are occurring in our two countries. The interests of the two peoples should be taken into consideration in the further development of the relations of good neighbourliness. As neighbouring Balkan countries, we should solve all our problems in a spirit of dialogue, tolerance, because as traditionally we should live in good neighbourliness, because we know that we in the Balkans are mixed. The opening of Egnatia line, as it was, will contribute to the communication with the peoples in these zones and to the elevation of their well-being.

I think we have chances before us which should be exploited.

Then both presidents answered the numerous questions of the reporters. In reply to the question with regard to the recognition on the part of Albania of the Republic of Macedonia, Mr. Sali Berisha said: "Albania has hailed all those countries which have recognized Macedonia. Our country has insisted and insists that an independent Macedonian state is in the interests not only of the Macedonians and the Albanians living there, but also in the interest of all the Balkan countries. Not so far Albania will officially recognize Macedonia and we shall conduct very good relations between the two neighbouring countries.

To the question that regarding the tragic events taking place in Bosnia-Hercegovina, whom does Macedonia declares guilty of, Mr. Gligorov answered: "It is common knowledge that guilty are the former Yugoslav Army and the actual policy of Serbia."

Serreqi Receives Macedonian Counterpart Maleski

AU0406194492 Tirana ATA in English 0828 GMT 4 Jun 92

[Text] Tirana, June 4 (ATA)—In their meeting of June 3, the Foreign Minister Alfred Serreqi and the Macedonian Foreign Minister Prof. Dr. Denko Maleski voiced their common desire to further improve and broaden the relations between the two countries. The Macedonian foreign minister made an expose of the democratic processes in Macedonia dwelling particularly on the rights of the citizens of this republic. Speaking of the situation in the former Yugoslavia, he pointed out among other things that we are against bloodshed in Bosnia-Hercegovina.

Minister Alfred Serreqi backed up the democratic processes in Macedonia and aired the known stand of the Albanian Government towards the position of the Albanians and their rights in the framework of the Constitution of the Republic of Macedonia. The two ministers said that the democratic processes in Albania as well as in Macedonia serve the improvement of the bilateral relations, the strengthening of the climate of cooperation and stability on the Balkan region.

On the same day the government Macedonian delegation left our country.

Deputy Premiers Uka, Andonov Discuss Economics

AU0406194392 Tirana ATA in English 0825 GMT 4 Jun 92

[Text] Tirana , June 3 (ATA)—On June 3, the deputy premier and minister of agriculture of Albania, Rexhep Uka received at a separate meeting the Macedonian Deputy Premier Jovan Andonov. In the meeting they expressed their common interest for a comprehensive economic cooperation between the two countries. This cooperation will extend to the fields of transport, especially that of road construction and agriculture through the creation of the joint companies and the Macedonian aid with agricultural mechanisms, chemical industry, etc.

Soon experts from the two countries will materialize the specific fields of cooperation between Albania and Macedonia.

Paper Hails Kosovo's Multiparty Elections

AU0406135192 Tirana RILINDJA DEMOKRATIKE in Albanian 27 May 92 pp 1,4

[Editorial: "Time Works for the Albanian Cause"]

[Text] 24 May 1992. Kosovo held its first multiparty elections for People's Assembly and president. Throughout Kosovo more than 900,000 voters cast their first votes for a common president, Dr. Ibrahim Rugova, and 130 deputies from the 511 parliamentary candidates representing 24 political parties. Alongside the Albanians who make up the overwhelming majority of Kosovo's population, Turks, Croats, gypsies, and even some Serbs voted.

24 May 1992. A great day for Kosovo and all Albanians. "A Historic Day." "A Remarkable Event for Pan-Albanian Democracy." "Elections for Freedom". "Elections for Democracy." These were some of the most frequent slogans on the day of the first free democratic elections in the age-old history of Albanians in their native Kosovar lands. This alone would be sufficient to make 24 May 1992 historic for the Albanian people of Kosovo, and all the more so when these elections were held under the threat of the tanks and bayonets of the Serbian occupiers and the danger of massacre en masse by Milosevic's chetniks. A real paradox: Free and democratic elections under conditions of occupation and threats of violence and genocide. This paradox is a consequence of the paradoxical policy of Slavo-communist Belgrade.

Neither violence, repression, threats, or the terror of the communist butcher Saddam Milosevic, as U.S. Senator Alfonse D'Amato rightly called him, could stop Albanians on their road toward freedom and democracy.

That is why nearly 90 percent of them voted. That is why 95 to 99 percent of them voted for the Gandhi of Kosovo, Dr. Ibrahim Rugova, chairman of the Albanian Interparty Council. With their votes and their courage, coolness, exemplary self- restraint, wisdom, and typical bravery, Albanians showed again that there is no force that can obstruct or subjugate the political and historic will of a people for freedom, independence, and democracy. There is no force that can harm their aspirations for self-determination.

It could not be otherwise with a people like the Albanians of Kosovo, who were the first in the 1950's and 1960's, and especially after 1968, to rise against the Slavo-communist disease that gripped Eastern Europe. The last decade is the most glorious in their epic. This is the decade of the end of communist dictatorships in that accursed half of Europe. March and April 1981 heralded the new epoch of freedom and democracy. It was all people of Kosovo who, with the two magic words "Freedom" and "Democracy," issued a summons to mankind and raised two fingers as a symbol of victory, anticipating the spring of democracy in the Red East, whose sun was to set alongside its failed system and ideology.

There is more. The Kosovo Albanians, with their call of "Freedom and Democracy" marked the beginning of the end of a state like the former Yugoslavia that was built on the foundations of "Slavery and Tyranny." Their free vote on 24 May constitutes one of the last nails hammered into the coffin of this state and of the inhuman policy of the chetnik Serbian leader Milosevic. If this mortally wounded beast, who is now breathing his last and which makes him even more bloodthirsty, did not vent all his fury at the Albanians, this is due not only to the wisdom of the Kosovo Albanians and their leaders, who avoided all of his provocations and traps, but also of the powerful pressure of Europe and the democratic United States. The sanctions and stern warnings of President Bush, Baker, and the European Community, and the reporting of numerous observers and over 200 reporters from 80 television networks, news agencies, and the world's largest papers, put a halt to the possible adventures of the Balkan communist Saddam in Kosovo.

Kosovo was not alone this time. Democratic Albania, the mother state, stood by Kosovo as never before. Despite its many troubles, Albania stood by its Kosovar brothers and stood by itself.

* Private Greek Church Investments Detailed

92ES0846Z Athens TO VIMA TIS KIRIAKIS in Greek 3 May p D9

[Article by Dem. Kharondakis: "Church of Greece To Invest in Albania"]

[Text]

Greek companies already active in the Albanian marketplace

In the context of diplomatic relations centering on trade, the church, like many businessmen, also aspires to play an active role in Albania.

This is the conclusion that one may draw from the initiative recently taken by the Holy Metropolis of Ioannina to recommend the creation of a Greek investment company in ailing Albania.

More specifically, at the initiative of the Metropolitan of Ioannina, Mr. Theoklitos, local businessmen have formed an investment company capitalized at 100 million drachmas. The company's goals are:

—1) To seek out Albanian factories which have ceased operating but are capable of being reactivated,

—2) To develop tourism,

—3) To create export outlets for Greek products, and

—4) To engage actively in triangular sales.

In addition to Metropolitan Theoklitos' praiseworthy initiative, 13 other Greek companies are becoming an active part of the Albanian commercial scene in Tirana, Argyrokastro, Ayioi Saranda, Koritsa, and Berati, providing both reconstruction work and services.

According to reliable information sources of VIMA, foremost among them is the garment company of Mr. I. Damos in Koritsa, which employs 400 individuals and whose products, via Greece, are exported to the companies Printemps and Continent in France.

In the same line of business, in Aryirokastro the cutting and sewing garment-production unit of Mr. S. Ginis employs 200 individuals, and in Berati the company of Mr. Kh. Kampolis, EMEX, Inc. (a yarn factory), employs 300 workers. The owner of the latter has also signed an agreement for a minimarket of consumer products at Aryirokastro.

The company of Mr. V. Kaliakatsos, in Ayioi Saranda, has undertaken the production of uniforms for the Albanian Police Force, and also manages a supermarket of consumer goods.

Also at Ayioi Saranda is the mixed Greco-Albanian company, Europromoti On, Inc., which cans and exports mussels.

The company of Mr. St. Bessis at Aryirokastro, having imported the appropriate machinery from Greece, produces knitted garments, while at Tirana the Greek company, E. Patsias, Inc., carries out international transportation for Albania's account.

The technical company, Tekton-K. Aslanidis, Inc., has already signed a contract with the relevant Albanian authorities for the construction of works throughout

Albania, and precontracts have been signed in the areas of leather tanning and spare parts.

Prometheus-D. Kapelouzos, Inc., a company with offices in Tirana, has signed a precontractual agreement of cooperation with the Albanian Ministry of Energy for the transport and exportation of natural gas to Albania. At the same time, it intends to engage in the commercial sector as well.

According to reliable information at VIMA, natural gas is one of the two financial subjects that the prime minister intends to discuss with Albanian dignitaries, and he favors the signing of an agreement. The second subject is the much-publicized $20 million credit, which he believes must be signed and put into effect.

The well-known construction company, K. Sarandopoulos, Inc., with offices in Tirana, has signed a precontract for road construction projects, subcontracting them in cooperation with similar Italian companies. The Corfu company, Rarakos, Inc., has signed a "buy-back" agreement for the sale of machinery for the production of sand and gravel. The production will consist of sand and gravel which will subsequently be exported to Corfu by ship.

A Greco-Albanian land and sea transport concern, the Petrakis Ship Company, has offices at Ayioi Saranda. And finally, Hermes, a similarly mixed Greco-Albanian land transport company, has offices at Aryirokastro.

In addition to the aforementioned businessmen, Prime Minister Mitsotakis is accompanied on his trip by the following businessmen who are interested in taking an active part in the Albanian business market: Mr. K. Mamidhakis, who specializes in liquid fuels, and Mr. K. Dhikaioulias, who is already engaged in the export of yarns.

The attorney, Mr. Y. Karlatiras, has been doing research for Greek investment businessmen who are interested in starting or even buying Albanian companies. Messrs. K. Fotinatos and D. Kiriakakos, from the company, Vegas Water Cultivation, Inc. have already delivered to the Albanian Government a master plan for a special project for the development of water works around Ayioi Saranda.

The entrepreneur, Mr. Th. Mitsiakos, from Ioannina, is interested in the creation of mixed Greco-Albanian companies in the areas of poultry-raising and tourism; Mr. F. Khondropoulos, from Igoumenitsa, and Mr. N. Raptis are interested in yarn making; Mr. P. Tsoukanelis, from Ioannina and President of the local Chamber of Commerce and Industry, is already in the garment export business and interested in the creation of local branches in Aryirokastro of EVE of Ioannina, and of ELKEPA and EOMMEX. The Prime Minister is also accompanied by Messrs. El. Kirousis, D. Kondominas, M. Kiriakou, V. Tolaros, and A. Eliot.

Government Implements Sanctions Against Serbia

AU0406131492 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 4 Jun 92

[Text] I will begin with a report that changes the situation in the country:

The Council of Ministers discussed the situation in the Balkan region and indicated its support for UN Security Council Resolution No. 757 on imposing sanctions against Serbia and Montenegro. This was stated to journalists by a representative of the Government Press Center.

River, railroad, and air traffic to the two republics has already been stopped. The sanctions do not call for stopping transit traffic.

Ganev Addresses NATO Council Session in Oslo

AU0506103792 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 5 Jun 92

[Telephone report by special correspondent Georgi Papakochev in Oslo on NATO foreign ministers summit meeting—live]

[Text] Early this morning, before the beginning of today's session of the North Atlantic Cooperation Council, the documents were signed for establishing diplomatic relations between Bulgaria and Azerbaijan. Later today, our country is expected to establish diplomatic relations with Kazakhstan and Georgia.

A few minutes ago, Bulgarian Foreign Minister Stoyan Ganev made his speech at today's session of the North Atlantic Cooperation Council, which was founded in November 1991, with the participation of 30 countries from Europe, the United States, Canada, and CIS republics.

Stressing the role of the North Atlantic Cooperation Council as one of the key elements of the new architecture of security, the leader of the Bulgarian diplomacy stated that the events taking place on our western border were beginning to pose a direct threat to our national security. Stoyan Ganev voiced Bulgaria's readiness to offer the fullest possible assistance to the peace-keeping forces acting within a UN or CSCE framework. The use of the council's peace-keeping forces is an extremely important issue that should become one of this council's priorities, Minister Ganev said. A proposal was put forward on Bulgaria's behalf to set up a special high-level working group that should seek to clarify all the conceptual and organizational elements of peace-keeping within the framework of the CSCE.

As I am sending this report, the ceremony is in progress of signing the final document of the Treaty on Conventional Armed Forces in Europe, which will clear the way for the treaty to come into force. Bulgaria urges that the treaty should be ratified as soon as possible by all the CSCE member countries that have not yet done so. At the Oslo meeting, Russia and other republics of the former Soviet Union are expected to announce large reductions in their tank forces and conventional armaments. Although overtaken by events, this treaty remains a keystone of the new system of European security, and will acquire new dimensions at the European security forum due to be held this fall.

The two-day meeting of the NATO Foreign Ministers will end this afternoon.

Former Diplomat Protests Against Mass Dismissals

AU0306121692 Sofia VECHERNI NOVINI in Bulgarian 28 May 92 p 2

[Interview with Yordan Velichkov, "secretary for foreign policy of the Union for Bulgaria [OBEDINENIE ZA BULGARIYA]," by Margarita Vurbanova; place and date not given: "One Minister Against a State?"]

[Text] Yordan Velichkov is a 52-year-old lawyer and a candidate of historical sciences. He graduated from the Higher Diplomatic School in Moscow, where his diploma thesis was entitled "International Law Aspects of the Macedonian Question." "At that time (in 1972)," he told me, "the Macedonian question became highly topical in Bulgarian-Yugoslav relations. Nationality issues began to appear on the political scene in Eastern Europe. I defended my thesis with distinction. This implied recognition not for me, but for the Bulgarian cause in the nationality issues, especially the Macedonian question. In other words, I demonstrated and proved that when things are put as they really are, even orthodox communists, as the Soviets were, can understand them. The Hungarians and Romanians also had nationality problems, they also had obligations to the Warsaw Pact, but they put their nationality problems in their own way, whereas we did not."

In 1972, Yordan Velichkov was in Belgrade as a young diplomat. In 1979, he proved by sound arguments that Yugoslavia had no future. "A state has no future that is built on the principle of force and on the striving of one people to dominate the others and assimilate them over a period of more than 70 years."

Because of these views, Yordan Velichkov was branded as a nationalist, removed from the Balkan Countries Department of the Ministry of Foreign Affairs, and sent to work in the United States. There, he realized that we were the only Balkan country without our own lobby and that we did not know how to defend our own national interests. He made contacts with Croatian and Bulgarian emigre circles and did not escape scot-free. In 1982, he was recalled to Bulgaria, and four years later departed for Tokyo as consul general. The other alternative offered was the post of ambassador in Kenya. In 1989, he returned to Bulgaria and became head of the Consular Department in the Foreign Ministry. He could have become our first ambassador to the free Republic of Croatia. The decision to appoint him was approved by

two successive foreign ministers—Viktor Vulkov and Stoyan Ganev, but this was not to be. Why?

[Velichkov] Sometime in January this year I was taken off duty and instructed to remain available until the time it was decided to send me to Zagreb. I waited until 6 April 1992, when I went to the Foreign Ministry, and of the 10 people I met, seven or eight had already been dismissed. When I saw what kind of people they were, I was simply astounded. You see, I knew that we were veering to the right and that extreme rightist elements existed, but to reach the point of destroying a well-chosen professional apparatus, to paralyze it by almost 90 percent, this I find difficult to accept. In my view, this is a criminal act against Bulgaria's national interests. To ruin such an important apparatus at such a critical juncture for our country, at such a delicate moment, that can only be compared with the 1912, 1915, or 1918 periods, when Bulgaria's very existence depended on the fall of a card, well, words fail me.... I could not stay a day longer. I wrote my memorandum, thanked Mr. Stoyan Ganev, blaming him for this destruction of Bulgaria diplomacy, and handed in my resignation.

[Editor's note] (The foreign minister reacted only after a long delay. He sent Yordan Velichkov notification by mail that he was dismissing him because of..."failure to report for duty for three successive days.")

[Velichkov] Let us separate the personal element from the Foreign Ministry's problems, from the merciless destruction of institutions of great importance for a country, such as intelligence, counterintelligence, the Army, and diplomacy....

This state was able to exist for 45 years with this Army. Now, we want to change everything in 45 days. It cannot be done like this. We want to liquidate the diplomatic service and create a new one. I personally would have no objection if we had any diplomats with a Cambridge or Oxford education. Give us some! However, we have none. We are replacing one group with others who are the same or worse as regards quality and ideological indoctrination, because we are all children of one and the same system, of the same schools. Even our biographical details are the same. In other words, our young men must occupy the places of those who do not belong to us. This might be brought about to a certain extent, but not in this drastic manner.

A minister cannot declare that he wants to judge a state, (the former USSR, now Russia) because we were able to rely on it at a certain juncture for our national security, and at the same time tell another state—Serbia—that we enjoy extremely friendly relations, when we have fought four wars with it during the last 100 years, and when for 40 years the Serbs have maintained an extremely consistent anti-Bulgarian propaganda. Evidently, this man cannot see the point at issue. It is a pity that he is now in charge of Bulgarian diplomacy, which itself indicates what the consequences may be. I am not against the fact that he is a minister of the Union of Democratic Forces [SDS]. I am convinced that the SDS has dozens of people with a better political education who are more enlightened from the national viewpoint. It must be made known to our public that of the 270 diplomats in the central department of the Foreign Ministry, 200 have been dismissed, and the dismissals are continuing. At the moment a list exists with 30-40 names. It is said that all 270 will be dismissed. How can professionals be trained, I ask? For example, in the Consular Department four people are left out of 31. I ask: Whose interests have these people defended, are they the interests of Bulgaria and Bulgarian citizens?

Cabinet Adopts Decree on State Companies

AU0406182092 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 4 Jun 92

[Report by Bilyana Mikhaylova from Council of Ministers building in Sofia]

[Text] So far, at its session today the Council of Ministers has adopted only one decree, but it is a very important one. The decree defines the procedure according to which the Council of Ministers will resolve the issues for which the general meetings of one-person commercial companies managing state property are responsible.

The Council of Ministers itself is responsible for organizing the administration of state property, exercising its role of owner of the capital invested in the one-person commercial companies. From now on, the ministers and committee chairmen are charged with exercising the rights of the state as owner of the capital invested in the companies, regardless of when and by which organ the companies were transformed. The ministers of industry, trade, transport, of territorial development, housing policy, and construction, and of agricultural development, land use, and restitution of land ownership are appointed as the principal agents for transforming the companies. All the other ministers and committee chairmen will submit proposals to the Council of Ministers for the conversion of state enterprises in the particular sector for which they are responsible into one-person commercial companies with state property.

The management of the converted companies will be given management agreements that will define the rights and obligations of the companies' management organs, the economic results that they have to achieve, and the amount of their remunerations.

In addition, one-person commercial companies with state property may sell the state property entrusted to them only by auction or tender competition, according to the instruction for auctions and competitions that the cabinet is expected also to adopt today. This instruction will always be observed, except when the sale takes place between state companies and one-person commercial companies with state property, or in the case of an

exchange of property between the aforementioned companies. In special cases the Council of Ministers will be able to permit a sale to be effected by negotiation.

Regarding the remuneration that the members of the boards of directors, supervisory councils, and administrative councils of the one-person companies, they will be up to 150 percent of the average gross wage in the particular company.

Government To Close Polluting Plant in Giurgiu

AU0506111692 Sofia BTA in English
1801 GMT 4 Jun 92

[Text] Ruse, June 4 (BTA)—At a session of the Bulgarian-Romanian Coordinating Commission on the Environmental Problems in the Ruse-Giurgiu Region, held in the Danubian city of Ruse today, Mr. Flora Bold, deputy mayor of Giurgiu, broke the sensational news that the Romanian Government is 95 percent resolved to move the epichlorohydrin installations from Giurgiu. These installations have not been working for two months now and the Romanian Ministry of the Environment is firmly for their closing down. Mr. Bold, who is also chairman of the Romanian side of the commission, said that now there is no chlorine on the production stage of the works because it is no longer used. Thirty to forty tonnes of chlorine used to be stored there.

The other good news is that it has been decided for the epoxide resin installations at the Verachim Combined Works in Giurgiu to be transformed to produce soap, perfumes and shampoos. "Our problems are dropping off one by one," Mr. Flora bold said and added that the heavy machine building plant which is a "twin" of the Ruse Works on the other side of the Danube has also stopped operation.

The two sides exchanged lists of the enterprises and companies in Ruse and Giurgiu which are potential polluters of the environment and their programmes for concrete steps in environment protection as well as the schedules of the visits to be exchanged by experts and environment inspectors of the two countries. The commission will hold its next session on September 4, 1992.

Efforts To Resolve Holy Synod Conflict Reported

AU0406200092 Sofia BTA in English
1628 GMT 4 Jun 92

["For the Unity of the Bulgarian Orthodox Church"—BTA headline]

[Text] Sofia, June 4 (BTA)—Ecumenical Patriarch Bartholomew and the Patriarch of Moscow and all Russia Aleksey II sent letters to Bulgarian President Dr. Zhelyu Zhelev calling him to assist the overcoming of the dissent in the Bulgarian Orthodox Church. BTA received copies of the letters from the Holy Synod.

In two other messages to Patriarch Maksim the two religious leaders expressed their sympathy and support and assure him that they will pray that the Bulgarian Orthodox Church overcomes its present trials.

Patriarch Maksim, chairman of the Holy Synod has sent a letter to National Assembly Chairman Stefan Savov informing him of the decision adopted on June 1 "for initiating Church criminal proceedings against Hieromonk Khristofor Subev and the Metropolitans who consecrated him Bishop in violation of the Canon."

After the open confrontation on Monday between the "new" and the "old" Synod the building of this institution was occupied by Hieromonk Subev who in the meantime gave up his political posts in the Union of Democratic Forces (SDS). Khristofor Subev who was consecrated Bishop said that he would struggle to reform the Bulgarian Orthodox Church and to make up for the damage it suffered from communism.

Today the two sides in the conflict performed two independent services at the St. Aleksandur Nevski Cathedral in Sofia.

On Monday Bulgarian President Zhelyu Zhelev stressed that the state institutions should not interfere in the affairs of the church.

According to witnesses, rather indecorous words were exchanged under the dome of the Cathedral before the two services.

Defense Ministry Sends Press to Cambodia

AU0406192792 Sofia BTA in English
1827 GMT 4 Jun 92

["Today"—BTA headline]

[Text] Sofia, June 4 (BTA)—The Defence Ministry and the General Staff of the Bulgarian Army have sent a representative of the military press to Cambodia, the Defence Ministry announced today. He will cover the actions and will report on the condition of the Bulgarian contingent of the UN Peace-Keeping Force. The reporter Lyuben Lachanski works for the SIGNAL magazine.

Parliament continued the second-reading debates on the amendments to the Pensions Act.

The Parliamentary Committee on Radio and Television today recommended to the leadership of the national radio to analyze the subjects and the style of the "Post-Factum" political round-up broadcast on Sundays. The programme is known for its criticism of the ruling Union of Democratic Forces. The representatives of the Socialist, ex-Communist, Party in the committee contested the decision. The committee will continue hearing concepts on the development of the national radio presented by candidates for the chairmanship of this institution.

The mayor of Vidin (north-western Bulgaria) expects the government to choose a site for the new bridge over the Danube River within two months. The mayor hopes that

the bridge will be built near Vidin and that Bulgaria and Romania will sign an intergovernmental agreement. 100,000 jobs are expected to open in the possible construction of the bridge.

The municipal leaderships of the Danubian towns of Nikopol (Bulgaria) and Turnu Magurele (Romania) hope a new ferry will start operating on the Danube in 1993. Greek businessmen will help in its construction.

The private secretary of Pope John Paul II has sent a letter of thanks to the chief of the Novisima Verba Burgas University Press, which recently published the first Bulgarian translation of a book by the pope.

The hard-liners of the Bulgarian Socialist (ex-Communist) Party (BSP), united in the Marxist platform, do not want to leave the BSP, its leaders said at a news conference today. Representatives of the hard-liners have been invited to a conference of the Social Democracy Alliance (the Radical Socialists) starting on Saturday, June 6.

The Criminal Division of the Supreme Court is expected to have a sitting in about two weeks' time to fix a date for a new trial against Stoyan Ovcharov, minister of the economy in the last years of Todor Zhivkov's regime. In 1991 he was acquitted but the prosecutor general proposed that the verdict be quashed. Stoyan Ovcharov will be tried on charges of ordering that 8,200 Swiss Francs be granted to Zhivkov's grandson for his university studies in Switzerland. Now Stoyan Ovcharov is under arrest at the National Investigation Service as a defendant in the trial of the culprits for the economic catastrophe.

The Kingdom of Bulgaria Federation today announced the decision of its Federative Council to organize a celebration of the 55th birthday of King Simeon II, who lives in exile in Madrid. Khristo Kurtev, an outstanding Bulgarian Monarchist and member of the Federative Council, described the recording of the meeting between President Zhelyu Zhelev and King Simeon II as an incredible precedent. According to him, this is not only a most unusual thing to do at an unofficial private meeting but is also against the law. At the same time, the Kingdom of Bulgaria Federation assesses the meeting as an "exceptional and unique event," which, according to the Monarchists, is evidence of the president's political wisdom and increases his international prestige.

Nissan of Japan opened a subsidiary here today.

Klaus Comments on Economic Policies, Banks

AU0506083292 Prague HOSPODARSKE NOVINY in Czech 26 May 92 p 4

[Interview with CSFR Finance Minister Vaclav Klaus by Marcela Doleckova; place and date not given: "I Oppose a Budgetary Deficit; About Financial and Monetary Policies With Vaclav Klaus"]

[Text] [Doleckova] The International Monetary Fund views Czechoslovakia as doing relatively very well and states that the koruna is on the best road toward full convertibility. Do you agree, and if so, do you have some temporal horizon in mind?

[Klaus] Very few countries have absolutely complete convertibility. So, let us drop the term complete convertibility. After all, we are more interested in an expansion of internal convertibility. As far as the citizens are concerned, I believe that their foreign currency purchase limit will gradually be raised. Considering enterprises and businessmen, it is a question of when convertibility will extend from the current account operations in the financial statement to the capital stock account. I personally would say that no serious obstacles exist. If I am also to answer the liberal criticism of why we did not do this a long time ago, I promise that I would have done it. Nonetheless, I do not believe it is a primary task.

[Doleckova] What do you consider a primary task?

[Klaus] A primary task for me is to attack the heavily monopolized Czechoslovak economy using internal convertibility.

[Doleckova] The internal convertibility of the koruna works. Czechoslovak industrial output is, however, sharply declining, and the European Economic Commission, for instance, claims that the drop in industrial output is greater than expected. Do you share their pessimism?

[Klaus] I do not consider the European Economic Commission's assessment crucial because not only I but also many of my colleagues have noticed that the European Economic Commission has a different opinion with respect to what is to be done in Central and Eastern Europe. Regarding the data mentioned on the development of industrial production, one must analyze the statistics. It is true that nothing better is available, but it does not mean that the statistics at our disposal are correct. The Czechoslovak economy is not an economy in which industrial output has been reduced by one-third, i.e. goods actually needed. What has been eliminated is production for the sake of production, the output that is recorded in statistics but that has no final effect. Moreover, the statistics do not include a great amount of economic activities. In addition to this statistical analysis, it is also necessary to consider which factors are responsible for the statistical decline. In my opinion, it is an incredible success that Czechoslovakia survived what was probably the greatest economic collapse in history—the collapse of the Soviet empire and the Soviet economy. After all, the economy is a tremendously intricate organism, in which if one infringes on one element with a large quantity of various multiplicative effects, the entire structure is affected and it spreads through the economy like an avalanche.

[Doleckova] Nonetheless, some economists claim that the government's economists grossly exaggerate the impact of the collapse of the Soviet economy on the development of the Czechoslovak economy.

[Klaus] I believe that a comparison with Finland can serve as a convincing argument. There is no extensive privatization in that country, no restitution, deregulation, or price liberalization, and the economy is a standard one based on market principles—yet, it "responded" to the collapse of the Soviet economy by a 7-percent drop in the gross national product, which cannot be compared to any other West European country but can be well compared with the 15- percent decline in the gross national product in Czechoslovakia.

[Doleckova] So, you believe that the Czechoslovak economy is over the worst?

[Klaus] I believe that there will not be another single shock of such magnitude. The collapse in the Soviet Union might have other dimensions, but the size of the impact will not be so great.

[Doleckova] Would you say that today the Czechoslovak economy needs some resuscitative stimuli?

[Klaus] One can only resuscitate an economy that is capable of revival. This can hardly be expected from an economy at a pre- privatization stage. On the other hand, the central bank is, in my opinion, exceedingly passive in the key period of transition, which the Czechoslovak economy entered on 1 January 1991. I am waiting for some definite action by the central bank—however risky it might be—which may prove good or bad, exorbitant or minuscule, and eventually also premature or late.

[Doleckova] After all, the central bank lowered the discount interest rate....

[Klaus] I do not consider a 0.5-percent decline in the discount rate a sufficiently strong economic and political measure. I believe that the interest rates still are at a completely unrealistic level, and when I say unrealistic, I am not talking of half of a percentage point but of several percent. An economy in which the inflation rate approaches zero, and which experiences a substantial correction, cannot pay interest of approximately 14 percent on two-year term deposits. If we made an error in economic policy during the past two-year term, it was, I believe, in the area of interest rates.

[Doleckova] A higher or lower level of tension exists in every democratic country between the government, which has a marked interest in stimulating the economy, and the central bank, which is concerned with the

stability of its currency. Nevertheless, you must be in close contact with the banking sphere.

[Klaus] I have been discussing this problem for months. I have called meetings with central and commercial bankers, and there were several long sessions with all the general directors of the commercial and saving banks. I am trying to do something about this situation, although there is of course no government tool for this purpose. The only recourse is discussion and persuasion. After all, the central bank does not have one simple economic tool either, so the operation is even more complex: On one side, we have the interests of the saving and commercial banks that receive more deposits than they give credits, and on the other side the interests of those commercial banks that lend more than they receive in deposits.

[Doleckova] Do you believe that high interest rates have such a strong impact?

[Klaus] I am convinced that high interest rates prevent a certain amount of investment activity in the enterprise sector. Since the system here is a heterogeneous one, the demand for credit is rather difficult to define. The banks argue that the interest in credit has persisted despite the high interest rates, but I am afraid that this is a misunderstanding of the problem. There is not one type of demand for credit, but two of them, and only by looking at both of them will we have a picture of the total demand. There is still a group of enterprises that has an inflexible demand for credit: They are the mammoth enterprises of socialist industrialization which have a monopoly position and have the option of either not paying someone, or including the interest costs in their prices. Their demand for credit is immune to changes in the interest rates. They always ask for loans, and based on the volume of their business, they receive what they ask for. A decline in the interest rate will certainly not increase their demand for credit. Nevertheless, there are a group of economic entities in Czechoslovakia now whose demand for credit is very sensitive to the interest rate. A decline in the interest rate would certainly be a tremendous stimulus for this group.

[Doleckova] If the demand for credit grew as a result of lower interest rates, would it not be necessary to increase the total volume of available credits?

[Klaus] Several months ago, I explained the fact that my opinion differs from that of the State Bank on the subject of credit volume, too. One reason is that in addition to transactions with manufactured goods, there has been a tremendous increase in property-related transactions. Hence, money is needed not only for regular production, but also for property transfers within the economy. Of course, no gross national product indices include these property transfers, and if we considered only this statistical index, all the property transfers would be left out. In the event that these transactions increase faster than production, it could result in a more restrictive policy than one would believe possible. In the past, we lived in a world of explicitly concrete economic transactions: Goods were shipped and paid for. Today, we have entered the world of financial transactions, which is the other area in which money circulates. In a standard economy, the property and financial transactions, and the transactions resulting from the manufacture of goods are so closely related that an index is irrelevant. In our economy, however, the dynamics of financial and property transactions develop completely differently from the transactions of standard production: Production is declining, while property and financial transactions are increasing. Last but not least, when assessing the volume of money needed in the economy, it must not be forgotten that the number of economic entities has multiplied. In the central economy, there were a few thousand giant companies in which transfers of goods did not have to be matched by transfers of money. This world vanished, however, and there are hundreds of thousands of companies, the intra-company transactions changed into inter-company ones, and for such transactions money is needed.

[Doleckova] Do you have such expansive views on budget policy as well?

[Klaus] I believe that there is no room for expansive policies in the world of budgets. The idea that if we cannot balance the budget one year, it will easily be made up in five, 10, or how many years, has never been realized. This apparently is not the right way.

[Doleckova] Nevertheless, particularly in the present situation many economists turn toward the idea that a deficit budget should bridge current difficulties.

[Klaus] Every economist, politician, or political party should express their ideas on financing the deficit. Theoretically, there are only three ways. First, one can assume that the deficit will be covered by foreign loans. As a man who must have led hundreds of negotiations with the world I declare, however, that we will not get a penny from abroad to finance a state budget deficit. I bear full responsibility for this statement, and if someone has a different opinion, let him show us what foreign entity would lend us money for this purpose. I have not even mentioned that it would be a tremendous burden on future generations. The second theoretical possibility is to finance the deficit from the banking sector. No doubt, the central bank can print the money and lend it to the state. This, we must say loud and clear, is inflationary financing. Whoever accepts this alternative should clearly state that he does not fear inflation. I, however, reject this method. Borrowing money from the banking sector, i.e., from commercial banks, does not mean anything but drawing money that the banks could have lent to somebody else. It is a very dangerous moment in our economy because the danger cannot be discounted that the still highly monopolized banking sector would lend to the state rather than to businessmen who are starting out. From the bank's point of view, it certainly is much more advantageous to purchase safe state bonds than to check thousands of small credit projects and take on the risk of their failure. The third

possibility for financing the budget deficit concerns the population. It would mean taking something from the population in one area and returning it to another area. This, however, does not alter macroeconomic relations. On the other hand, the fundamental question must be raised of whether anybody would know how to use the budget deficit to expand the economy.

[Doleckova] So, you insist that the sectors with "good prospects" cannot be selected by the government?

[Klaus] The state's possibilities are very limited in this respect. After all, this has been demonstrated by decades of socialism. I am not aware of any Czechoslovak scholars who have for decades precisely identified in which projects the departments, branches, and enterprises should invest to sell their products easily in the Japanese and American markets. I do not believe it.

[Doleckova] It seems that at the Budapest session of the European Bank for Reconstruction and Development a conflict transpired regarding the transformation of the economy in Czechoslovakia and other Central European countries between the idea of the bank's management and the ideas of certain government officials.

[Klaus] An extensive altercation took place in Budapest regarding the very concept of this bank, particularly between the American representatives—but also England, Japan, Canada, and us—on the one side, and the bank management on the other side. We believe that this bank should be a normal organization that simply invests money in the private sector and seeks out this sector in certain, particularly Central European, countries. Mr. Attali, the bank's president, would prefer a supranational type of development bank that conducts regional studies and analyzes economic sectors, finances, infrastructure, etc. The conflict of opinions has been obvious at every session this bank has held so far.

[Doleckova] Has the conflict been definitively resolved in Budapest?

[Klaus] Of course it is continuing, but the Budapest annual meeting gave a clear signal that the bank management does not have the authority to operate the way it proposed. As the acting chairman of the last day's session, I proposed an informal meeting in Prague in November of selected governors and the key finance ministers from Germany, the United States, and other countries tentatively promised their participation. The meeting could address the issue of the fundamental concept of this bank. This Czechoslovak initiative met with general approval in Budapest, and as soon as the situation in Czechoslovakia is settled after the elections, the preparations for this action will begin.

Finance Minister on Slovak Unemployment

LD3105093892 Prague Stanice Ceskoslovensko Radio Network in Czech 1000 GMT 29 May 92

[Excerpts] According to a public opinion poll, a large number of citizens are dissatisfied with the current economic development in Slovakia. One of the reasons is undoubtedly also the relatively higher percentage of joblessness. Does this means that, because of this, Slovakia should implement economic reform differently? This was the question we put to Vaclav Klaus, deputy federal prime minister and minister of finance.

[Begin Klaus recording] Just like in the Czech Republic, in Slovakia this is a regional issue as well. There are great differences between individual localities, towns, districts, and regions. From this it ensues that this phenomenon is related neither to Bohemia or Slovakia, but to specific enterprises, specific productions, and specific marketing problems. Unemployment in Prague in the Czech Republic is 0.43 percent, while in Prerov district—if I have it right for I am giving this figure off the top of my head—the rate exceeds 7 percent. And no one should conceive the idea that there should be a different economic policy and economic reform for Prerov district. It is absolute nonsense.

From this it simply ensues that one or two specific companies ran into major difficulties that others did not, and moreover, that new jobs, new work opportunities, were not created anew in the private sector. The fact that the concentration of these phenomena in Slovakia is greater is another thing. It is simply a concentration of phenomena, it does not constitute another reform. The fact that we were dramatically hit by the loss of the chance to market arms industry products is known to all of us in this country. And this did not happen on 17 November. The decline of armament production—and this production peaked in 1986 and not in 1989—this decline is continuing non-stop and in no case is it related to our economic reform. I am able to state responsibly that the peak of armament production was in 1986 and since then armament production has been dropping. The speed of the conversion of armament production to a non- armament production is an altogether different matter. It is not an issue of economic reform. It is an issue of a particular management in a particular enterprise. I have to tell you that in this case the Federal Government allocated 1.5 billion korunas (Kcs) last year, and a large majority of this money went to Slovakia. I have to tell you that enterprises were expected to submit dozens or hundreds of projects specifying the purpose for which this 1.5 billion—and it is not an inconsequential sum—could be used. I am almost compelled, and it is about time that I should do so, to reveal that these projects were so poor and so hopeless... but on the other hand, we could not say that we would turn down all these projects, or the majority of them, and keep Kcs 1.5 billion for some other purpose. And so, with a feeling of truly great uncertainty whether we were doing the right thing, we in fact paid out this money to these enterprises. [passage omitted]

Slovakia is undoubtedly geographically (?bound) more to the former Soviet Union than to Germany. Simply, the break up of the Soviet Union affected more the eastern part of our country than the western. It has nothing to do with the Czech and Slovak republic. It is purely a

geographical definition—East versus West. As you well know, the employment problem in Slovakia is caused by a higher proportion of Romany population, where the participation rate, as it were, or the rate of human involvement in the process of labor has traditionally been lower. If all these people register as unemployed nowadays, then this is a statistical swindle that artificially increases the proportion of unemployed. But the main thing is that now I would like to quote to you the following figure—and I swear I did not calculate it—but I attended the speech of Slovak Minister of Industry Mr. Holcik, who said that while 250,000 jobs were created by the private sector in the Czech Republic, 40,000 jobs were created in Slovakia. If this figure were to be different, then the unemployment rate would have been absolutely different, too. But it has nothing to do with either a dumb or smart government. It is not related to the state and state budget or smart bureacrats or officials. It is related to the activity and work of each of us in each specific place in this country where we might find ourselves. [end recording]

Statistical Data Show Economy Stabilizing

AU0306115892 Prague HOSPODARSKE NOVINY in Slovak 28 May 92 pp 1, 3

[Ivan Sujan report: "The Production Decline Has Stopped"]

[Text] Various data on the development of the Czechoslovak economy are very often the subject of pre-election discussions. Distorted, misleading, or misinterpreted data are used quite often. Statistical data for the first three—or four, as the case may be—months of 1992 indicate that the production decline has stopped, and economic stability has been strengthened at the same time.

Against 1990, industrial production generally declined 21.2 percent in 1991. The most rapid decline was seen in the second and third quarters. Production is susceptible to various seasonal fluctuations. For evaluation, it is therefore necessary to filter out seasonal influences from the data applicable to each quarter. Such data show that in the fourth quarter of 1991 the decline was very slight (2 percent only), compared with the third quarter, and in the first quarter of 1992, there was even a slight growth (approximately 1.4 percent), compared with the previous quarter. This means that for almost 9 months in a row, the volume of production has remained at approximately the same level, and according to the survey of managers' expectations conducted in enterprises, this volume should maintain its level in the second quarter of 1992, too. Since a large number of enterprises (42 percent) expect a revival of investment activity in this quarter, it is possible to expect a slight production recovery in the second half of 1992, and a stronger one in 1993, when the positive influences of privatization should begin to be seen.

Of course, compared with the same period last year, production is still significantly lower (25.9 percent) because its volume in the first quarter of 1991 was still close to the 1990 level. However, data indicating the current level of production as 55 percent of the level in 1989 are wrong, the correct figure is 68 percent.

In our opinion, gross national product is developing more favorably than industrial production. A year-to-year decline in output in the first quarter of 1992 was significantly lower in construction (9 percent) and cargo transportation (11 percent). There was virtually no decline in trade and services. It follows that the decline in gross national product, too, may have stopped and is gradually resuming an upward trend.

Unemployment in the first four months of 1992 declined from 6.7 to 6.0 percent (of this, 3.2 percent in the Czech Republic and 11.8 percent in the Slovak Republic—in recent months, however, unemployment declined in Slovakia, too). Only a small part of this decline may be due to a more precise record-keeping of the unemployed. On the other hand, the decrease in the employment rate in 1991 was not in line with the decline in production. That means that social overemployment increased and productivity dropped. According to the survey of managers' expectations, enterprises are expecting an increase in productivity in the very near future, which should grow faster than average wages.

Consumer prices rose only 2.3 percent in the first four months of 1992, that is, less than 0.6 percent monthly, which is an acceptable rate of inflation of approximately 7 percent.

The achieved rate of internal stability and stabilization of the price level is exceptionally favorable compared with the whole of Central and Eastern Europe.

Nominal average wages rose 20.9 percent in the first quarter of 1992, which represents—under the year-to-year increase in the cost of living of 16 percent—an increase in real wages of 4.2 percent. The decline in real wages in 1991 is being gradually eliminated, despite the fact that productivity has not risen as yet.

Personal earnings rose nominally 25.5 percent in the first quarter of 1992 in the year-to-year comparison, while real wages rose 8.2 percent. Public savings rose to 9.2 billion korunas in the first quarter, which is a certain sign of confidence in the Czechoslovak currency. In small privatization, the public spent more than 31 billion korunas since its very beginning, and in large privatization (coupon books) more than 8 billion korunas. Surplus in state budgets (federal, Czech, and Slovak) amounting to 9.7 billion korunas in the first quarter also testifies to a stronger internal stabilization of the Czechoslovak economy.

The CSFR's external economic relations, too, developed favorably in the first quarter of 1992. Against the same period last year, the volume of exports increased 17 percent and imports declined 11 percent. Exports to the

countries with a market economy grew almost as much as 45 percent. As a consequence of this, a surplus of 4.4 billion korunas has been achieved in the trade balance. The surplus in the balance of payments was substantially higher. As a consequence of this, the CSFR's gross debt in convertible currencies (which is the lowest among the counties of Central and Eastern Europe) declined from $9.3 billion to $9.1 billion. The conversion rate between the koruna and convertible currencies remained relatively stable in 1991, despite the 50-percent inflation last year, which means, in fact, a hidden revaluation of the koruna.

On the domestic market, retail sales rose 15.7 percent in the first quarter of 1992, compared with last year, and their physical volume rose 2.2 percent. This also is one of the signs of the upcoming revival of the economy. A total of 45.4 percent of the retail sales falls into the private sector.

The data show that the Czechoslovak economy is managing to pass through the period of economic transformation quite successfully, despite some unfavorable external influences. Many international institutions that give Czechoslovakia and Hungary the best prospects for a successful transition to a market economy appreciate it.

TV Head Defends Campaign Broadcast Decisions

LD0406162892 Prague CSTK in English 1024 GMT 4 Jun 92

[Text] Prague June 4 (CSTK)—The director of Czechoslovak Television, Jiri Kanturek, last night resolutely rejected all accusations by the Slovak Election Commission which decided Wednesday to file a criminal suit against him for interfering in the preparations and course of the June 5-6 elections. "None of the reasons stated by the Slovak Election Commission can be applied to the article (of the electoral law) on obstructing the elections", Kanturek told CSTK.

The Commission said Czechoslovak television did not allow five Slovak parties running for only the Slovak parliament to present themselves on Federal TV within the election campaign, and complained about a June 1 program claiming that it contained demagogic and untruthful material. (The program included statements by ethnic Czechs and Slovaks living in the U.S.A. on preserving the Czechoslovak federation.) It also said the May 21 television debate between Chairman of the Civic Democratic Party (ODS) Vaclav Klaus and the Czechoslovak Social Democratic Party (CSSD) election leader, Valtr Komarek, violated election campaign laws on broadcasting material favouring a party's candidate.

Refuting the first charge, Kanturek explained that under the Electoral Law, Federal television could provide air time only for parties running for election to the Federal Assembly. Parties seeking election to the Slovak (or Czech) parliament were given time on Slovak (or Czech) television, Kanturek said, stressing that this was clearly agreed with the central Election Commission. On the second charge he said the document only showed support for the idea of a common state of Czechs and Slovaks. As for the Klaus-Komarek debate, "the dialogue on economic reform was not part of the campaign...Its protagonists did not speak on behalf of political parties but as deputy premier and finance minister (Klaus) and director of the Czechoslovak Academy of Sciences forecasting institute (Komarek)", Kanturek said.

Foreign Ministry Protests Hungarian Coverage

AU0406194692 Prague CSTK in English 2046 GMT 2 Jun 92

[Text] Prague June 2 (CSTK)—Pavel Masa of the Czechoslovak Foreign Ministry today said some of Hungarian Television programs interfere in the campaign before the June 5-6 elections in Czechoslovakia.

In a meeting with Pal Benyo, Hungarian charge d'affaires to Czechoslovakia, Masa said this happens even though the Czechoslovak Federal Assembly asked in advance in a letter of April 30 the Hungarian parliament not to allow repetition of some negative phenomena from the election campaign before the June 1990 elections in Czechoslovakia. The election campaign this year started May 13.

At a press conference today, Zdenek Zikmund, head of the Czechoslovak Foreign Ministry Press Department, said Hungarian Television, whose signal covers a big portion of Slovakia's territory, violates the election campaign in Slovakia because it gives great scope to a sole participant in the campaign, the political movement Egyutteles (Coexistence-Wspolnota-Souziti).

Zikmund said the Egyutteles chairman, Miklos Duray, uses Hungarian Television to propagate his own standpoints and to attack other political parties and movements.

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Bratislava—Slovak International Relations Minister Pavol Demes today conveyed to the Hungarian General Consulate in Bratislava a protest against interference in the election campaign in Czechoslovakia by Hungarian mass media.

The protest was initiated by the Slovak Electoral Commission.

Demes said the programmes on Hungarian Television and radio can affect the results of the election in South Slovakia for whose population they are destined.

About 600,000 ethnic Hungarians live in Slovakia (total population of 5 million), especially in the south. The Egyutteles movement supports rights for national minorities and preservation of their national identity.

Slovak Government Debates Privatization Projects

AU0306130592 Bratislava NARODNA OBRODA in Slovak 27 May 92 p 2

["(am,st)"-signed report: "Will AB Kosmetika Cause a Snowball Effect?]

[Excerpts] Bratislava—It has become a rule recently that Slovak Government meetings have more than fifty items on the agenda. The situation was similar yesterday. Once again, a great part of the agenda concerned privatization projects designed for direct sale. [passage omitted]

Information regarding the preparation of Slovakia's candidacy for organizing the Olympic Games in 2002 was not only in the center of the government's attention, but also of the journalists at the regular news conference. As Prime Minister Carnogursky said, the government decided that the Ministry of Education and the Ministry of Trade should finance and guarantee a preparatory study, which should answer the questions regarding the organization of the Olympic Games. [passage omitted] The candidacy will be decided after the study is examined. In case it becomes obvious that the Olympic Games would have too negative an impact on the environment, no further steps to apply for the candidacy will be taken. [passage omitted]

Journalists showed a special interest in the privatization project of the Danubiaprint state enterprise, which was designed for a direct sale. When asked whether a transformation of state monopoly into private monopoly is not involved here—since 12 dailies are printed here—Prime Minister Carnogursky said: "The privatization project has been approved by the Slovak Republic Economic Council, and the Slovak Anti-Monopoly Office stated that the part of the Danubiaprint that falls under the privatization project, specifically the plant in Bratislava, secures 29 percent of the press in Slovakia. This means, no monopoly is involved here."

Directly at the government meeting, the director of the company Ister Ltd. was given a chance—as the only buyer so far— to defend his project for the privatization of the Danubiaprint state enterprise. According to Minister I. Miklos, Mr. Josef Novak made an impression. He persuaded the government that he provides a guarantee that the privatized printing plants will flourish. When asked by journalists about the fear of monopolization of the dailies, Minister Miklos said: "Private ownership is the right guarantee against political misuse. Ister promised to invest 250 million korunas within a few years, and Mr. Novak succeeded in building a prosperous print shop, out of nothing, in the sphere of commercial and business printouts." The minister does not know anything about the fact that there was a man in the Ister management who is running for the Federal Assembly as a Civic Democratic Union candidate. The bad economic situation in the Danubiaprint is allegedly due to incompetent management, and this fact also influenced the decision of whom to hand the enterprise over to.

The Slovak Insurance Company will provide the money to Ister for the purchase. Despite this fact, a total of 12 dailies in one print shop means, if not a monopolistic, then certainly a dominant position. This should be noticed by the Slovak Anti-Monopoly Office.

Are Precedents Being Born?

The Slovak Republic Government approves dozens of direct sale at each meeting. There is no time for detailed analyses, and the government makes decisions on the basis of recommendations by the Economic Council. Hundreds of enterprises and tens of billions are at stake. Now wonder that those who are losing are letting themselves be heard. Recently, it was the United States ambassador to the CSFR, who asked the Slovak Government in writing to reexamine the recommendation of the Economic Council to hand over—based on a privatization project—the AB Kosmetika Bratislava to the present management. The government apparently takes the United States ambassador's recommendations very seriously (in the past, a different government of ours took seriously demands raised by different ambassadors—Soviet, of course).

"Yes, we received a letter from the ambassador and also from the American firm Colgate Palmolive," said Minister Ivan Miklos yesterday. "They are asking us to allow the American company to take part in the direct sale of AB Kosmetika—despite the fact that we have not received any project from Colgate within the given deadline. In January, that is, after the deadline, Americans offered a privatization project—but they offered 100 million korunas less than that Mr. Macuga and Cernak. Our ministry, the founder, the Anti-Monopoly Office, and also the Slovak Government Economic Council recommended a direct sale of the enterprise to the said managers. Next week the government will adopt its final stand, and only if the AB Kosmetika management does not adopt a respectable course of action toward Colgate, could an alternative solution be considered."

The minister stressed that when evaluating the projects, they strictly stick to the rules. Terms, such as "respectable course of action," are not exceptionally precise, however. Which of the two will decide then in a week: sticking to the deadlines and rules, or the recommendation of the ambassador and the complaint by a transnational company worth billions.

The Slovak Republic Government also dealt with other issues yesterday.

Dienstbier Views on NATO, Helsinki Process

LD0506091192 Prague Stanice Ceskoslovensko Radio Network in Slovak 1230 GMT 4 Jun 92

[Interview with Foreign Affairs Minister Jiri Dienstbier by Alojz Valent; place and date not given—recorded]

[Excerpts] [Valent] Mr. Minister, the NATO Cooperation Council is one of the pan-European institutions. Its participants are meeting in Oslo, Norway. What does this association represent and what is at issue in Oslo now?

[Dienstbier] [passage omitted] So far, this new instrument has turned out to be very useful, because it created a platform for putting into effect the treaty on the reduction of conventional armed forces in Europe even within the framework of the Helsinki process. What is discussed now are brand new aspects, connected with the NATO Foreign Ministers' Council, on how the system of mutual interlinking with the Helsinki process should be created. [passage omitted]

[Valent] We know that the CSCE has no executive bodies capable of intervening. What I have in mind is the Army...

[Dienstbier, interrupting] Yes, the entire discussion on whether the Helsinki process is effective or not, or whether we should align ourselves with the NATO or Helsinki process is a senseless discussion, because the CSCE—the Helsinki process—is a phenomenon now in which are incorporated all factors of European security, both Western and Eastern Europe and the area of the former Soviet Union. It also incorporates the necessary trans-Atlantic linkage. But NATO, the European Communities, the Council of Europe, and this NATO Cooperation Council—these are the institutions that function within the Helsinki process framework, and the mutual linkage between all these institutions and their gradual use in all this region is the purpose of the talks held today. And so, no contradiction exists in this respect, because the closest possible involvement and the closest possible cooperation with NATO is helping all this process, sometimes termed the Helsinki process.

[Valent] Is it likely that we shall be able to witness the process that will amount to a complete integration?

[Dienstbier] Nowadays this is being discussed both within the EC and NATO. All this depends on whether a positive development in Europe is going to continue—as all of us wish to believe—or whether a contrary development is going to take place; whether democracy in Russia and the Ukraine is going to collapse and war in the Balkans is going to drag on. This will have an impact also on the integration of Europe, activities of the European communities that are not going to be the EC anymore because they are going to be a European union instead, as well as the role of NATO and, as the case may be, its membership too.

The situation is crystal clear: If we are under any sort of a threat, we are going to unequivocally ask to be accepted as a member of NATO, or at least be clearly shielded by it.

Foreign Minister Urges Peace-Keeping Forces

LD0506130492 Budapest Kossuth Radio Network in Hungarian 1000 GMT 5 Jun 92

[Excerpts] [Announcer] According to the Hungarian foreign minister, international peace-keeping troops must be urgently sent to Vajdasag [Vojvodina] and Kosovo. Our special correspondent Miklos Martin Kovacs reports from Oslo.

[Begin Kovacs recording] At the Oslo session of the North Atlantic Cooperation Council, Geza Jeszenszky proposed that, at the request of the CSCE, the gunmen who might be withdrawn from Bosnia should be prevented from continuing violence in Kosovo and Vajdasag. According to the Hungarian foreign minister, if peace-keeping forces are not sent, horrific crimes might be committed again. He stressed that 400,000 Hungarians and many other nationalities live in Vajdasag in addition to Serbs.

According to the Hungarian foreign minister, the security hopes of Hungary, Czechoslovakia, Poland, Slovenia, Croatia, and Ukraine are connected to the U.S. military presence in Europe. [passage omitted]

Returning to the peace-keeping forces that should be sent to Vajdasag and Kosovo, the correspondent notes that it is not quite clear yet whether the Hungarian Government was thinking of UN troops or units complying with NATO's decision of yesterday.

Minister Fur on Participation in Yugoslavia

AU0506132292 Budapest MTI in English 1334 GMT 2 Jun 92

[Text] Budapest 2 June (MTI)—Hungarian soldiers will stay away from any possible UN military intervention in Yugoslavia, Defence Minister Lajos Fur said answering a MTI question at a joint press briefing with Hungarian Army Commander Col. Gen. Kalman Lorincz.

The army will remain unaffected by the embargo against Serbia and Montenegro. Although no mobilization will take place, certain units will keep an eye on the southern border, maintaining proper alert. Special measures have so far cost the army one billion forints, Fur said.

As no fighting is directed at Hungary, Yugoslavia poses no concrete threat, he added.

Assessing the past two years, Fur said the largest success has been in military diplomacy, specifically the large number of military agreements concluded, the first with Romania.

About NATO, he said the most important task is to build institutional ties. The membership issue follows.

Hungary is to open a military representation in NATO's Brussels headquarters in the near future.

Fur said Hungary backs French-German endeavours to make the Western European Union a security organization.

Hungary's defence and foreign ministers have been invited to a WEU conference in Bonn on 19 June.

Hungarian army staff, including civilian employees, has been reduced to 100,000 from 155,000 in 1989. About 70,000 of that number is combat staff.

Foreign Affairs Committee Views Yugoslav Crisis

LD0406192292 Budapest Kossuth Radio Network in Hungarian 1000 4 Jun 92

[Text] Foreign Minister Geza Jeszenszky addressed a closed session of the parliament's foreign affairs committee on the situation in the territory of the former Yugoslavia and on problems related to the successor states. Istvan Hegedus, deputy chairman of the committee, who chaired the session, was asked for a reaction by Anna Flori.

[Begin Hegedus recording] I must say there was a general agreement by the parliamentary representatives on the evaluation of the situation. It is clear that, just as with the United Nations Security Council, the Hungarian Government also has a wait-and-see attitude at this time. The purpose, and the parliamentary parties agreed with this, is that sooner or later a political settlement should take place. Of course we are fumbling in the dark here. The situation of the Hungarians in Vojvodina is very important for all of us, as is an end to the neighborhood wars there. The fighting in Bosnia represents a danger to peace for the region as a whole. For this reason we view with considerable urgency the need for either some type of reheated Carrington plan or another similar peace conference to resume as soon as possible. Without a serious peace plan there is little chance of a near-term solution. [end recording]

Ministry Assesses Economic Damage of Embargo

LD0406183392 Budapest MTI in English 1636 GMT 4 Jun 92

[Text] Budapest, June 4 (MTI)—A report on the implementation by Hungary of UN sanctions against Yugoslavia was heard by the Hungarian Government at its session today.

The International Economic Relations Ministry has started to assess damages caused by the embargo to Hungary's economy. The survey aims at calculating the country's compensation claims to be submitted to the UN later, government spokesman Balazs Laszlo told the press.

Also, the government will draw further foreign loans to develop Hungary's road network.

The government approved a 50-million-ECU European Investment Bank project to build motorways around

Sopron and Szolnok and renovate 800 kms of roads. Further 21 million ECU from the European Investment and Development Bank will be used to build the M-0 ring-road around Budapest.

Minister Fur on Military Agreements With Romania

LD0506100492 Budapest Kossuth Radio Network in Hungarian 1830 GMT 3 Jun 92

[Interview with Defense Minister Lajos Fur by Peter Marvanyi; date and place not given—recorded]

[Excerpts] [Marvanyi] It was surprising to many that, out of our neighbors, Hungary concluded the first military cooperation agreement with Romania even though our inter-governmental relations and other links are burdened with a lot of political problems.

[Fur] The military relations were not burdened by these problems and are still not burdened today. For this, exceptionally important credit should go to then Defense Minister Mr. Stanculescu, but his successor also handles the Hungarian-Romanian military relations with the same benevolence. Besides the existing normal relations, this agreement was given special significance by the political tension between the two countries, which you have just mentioned. For we considered, at least from the Hungarian side, that it would not be good if a political tension existing between the two countries, and being fed by the well known reasons, would perhaps be transferred to the military area as well. Therefore, we urged this agreement.

[Marvanyi] So was this a kind of safeguard?

[Fur] A safeguard and perhaps also putting the brakes on the political tension, or at least to keep it at bay, in order that these things should not get out of hand and escalate into areas that might have brought about irreparable damages. [passage omitted]

[Marvanyi] Finally, what is the situation with the refugee situation in light of the new military concept? To what extent will the Hungarian borders remain open for possible economic or political refugees? What is the situation in regards to those who, due to the new conflicts, will be forced to cross the borders either legally or illegally?

[Fur] Well, the borders have to be kept open for those fleeing because of new conflicts. Human rights in general impose this upon us just the same as the relevant UN agreements, thus, in this case, the borders cannot be closed. The question of economic or other refugees is another matter. This, however, touches upon the line of authority of the Ministry of Internal Affairs, but I, as member of the government, am able to say that in this case, the country has a duty to apply screening, otherwise the country could be flooded in such a way that would endanger economic stability.

Disarmament Talks Envoy Views Arms Proposals

LD0406184392 Budapest MTI in English 1533 GMT 4 Jun 92

[Text] Oslo, June 4 (MTI)—Hungary's proposals have greatly contributed to the agreement regarding the implementation of the Treaty on Conventional Disarmament signed in Paris in November 1990. The agreement will be signed by representatives of 29 countries in a special NATO summit on Friday, Ambassador Istvan Gyarmati, head of the Hungarian delegation to the Vienna talks, told Hungarian correspondents in Oslo on Thursday.

In Vienna, Hungary recalled that the Paris treaty had permitted all member states to use 1,000 armoured personnel carriers for the purpose of maintaining internal order. This clause was included in the text at a Soviet request, since other countries did not want to fill this quota. The eight successor states emerging after the disintegration of the Soviet Union are now allowed to keep 8,000 armoured personnel carriers. After a lengthy debate, the parties agreed on limiting the number of armoured personnel carriers available for maintaining internal order at 100, or five per cent of the national quotas. As a result, only 2,000 armoured personnel carriers can be used for this purpose in the region, which would not endanger the balance stipulated in the original treaty.

Hungary also raised that the treaty could not be implemented on the basis of information provided by the former Soviet Union. For this reason, the successor states should provide new information. The proposal was approved and the successor states asked to compile a new survey of their forces to be reduced by July 1.

As to the future of disarmament talks, Hungary strives to achieve that the cut in Armed Forces should apply not only to the regular forces. Experience in Yugoslavia and Karabakh shows that the paramilitary units should also be considered. Resistance to this proposal is still strong, Ambassador Gyarmati said.

Ministry Dissatisfied With EC Aid to CIS

LD0106183492 Budapest Kossuth Radio Network in Hungarian 1100 GMT 31 May 92

[Text] At the Hungarian Ministry of International Economic Relations there was disappointment in the aid program launched by the EC for the CIS. The director of the division at the ministry, Istvan Gyurkovics, told us that in the first stage of the EC program Hungary could only contract for 10 percent of the import opportunities. In the case of the other participants: Poland, Czechoslovakia, Bulgaria, and Romania could offer agricultural products more cheaply with the aid of state subsidies.

At the same time, the Ministry of International Economic Relations is confident that in the second stage of the aid program Hungarian participation will be more successful.

Ministry of Agriculture Relies on Exports to CIS

LD0106131692 Budapest Kossuth Radio Network in Hungarian 2000 GMT 30 May 92

[Text] The Ministry of Agriculture is counting on the renewing Eastern markets maintaining significant long-term interest in Hungarian agricultural products since Russia and a number of the CIS member states will not be self-sufficient in food for the foreseeable future. We must, however, also expect that some of the republics, for example Ukraine, could become our competitors after the political and economic situation is resolved, Laszlo Sarossy, state secretary at the Ministry of Agriculture, said at a meeting in Szeged of entrepreneurs from Hungary and from the former Soviet Union.

With respect to Hungarian agriculture, he admitted that because of the shortage of money, a large percentage of foreign investors can be expected during the privatization. There is no question, however, that the largest trading chains or the food industry itself has already been sold by the Ministry, the state secretary for Agriculture said.

Crime-Fighting Agreement Signed With Ukraine

LD0206224192 Budapest MTI in English 1635 GMT 2 Jun 92

[Text] Budapest, June 2 (MTI)—A cooperation agreement between the police forces of Hungary's Szabolcs-Szatmar-Bereg County and the Subcarpathian region of Ukraine was signed today in Nyiregyhaza by Lieutenant-Colonel Laszlo Hajzer, police chief for the Nyirseg area, and Brigadier General Vladimir Sirik, head of the interior department of Subcarpathia.

The agreement provides for the joint investigation of cases involving international organized crime, economic offences, banned financial transactions, and counterfeit money.

Regular information exchange is also envisaged.

Culture, Science Agreements Signed With Croatia

LD0206222192 Budapest MTI in English 1352 GMT 2 Jun 92

[Text] Budapest, June 2 (MTI)—Hungary wants to take part in rebuilding Croatia, Culture Minister Bertalan Andrasfalvy said after signing a culture, education and science cooperation agreement for 1992-1993 with Croatia today.

On Croatia's part, the inter-governamental agreement was signed by Education, Culture and Sports Minister Vesna Girardi-Jurkic.

The document is the first cultural agreement signed by Hungary with a south Slav state. Also, it is the first such agreement signed by Croatia.

Girardi-Jurkic thanked Hungary for the generous help it has extended to Croatian refugees.

Speaking about her war-torn country, she said about 350 churches, 328 museums, 22 libraries and 20 archives have been destructed [as received] by the war. The country, however, will not abandon fostering its culture, she said.

At a press briefing after signing the document, the ministers said the project attaches great importance to ethnic minorities, education in the two countries. Besides facilitating the publishing of primary school textbooks in cooperation, the agreement makes it possible for the two countries, ethnic communities to use each other's school textbooks.

Finance Minister, Official Discuss Debts

LD0406173892 Budapest MTV Television Network in Hungarian 1900 GMT 2 Jun 92

["Vital Questions" program: Interview with Hungarian Finance Minister Mihaly Kupa and State Audit Office Chairman Istvan Hagelmayer by unidentified studio audience members in Menfoecsanak; date not given—recorded]

[Excerpts] [passage omitted]

[Question] Esteemed Mr. Minister, we respectfully ask you the size of the loan this government has taken over the past two years. Adherents of the former regime are not ashamed of disseminating propaganda saying that this government took on billions more in two years than the other in 40 years. We know that this is false.

Also, please tell us how much we are owed. Even Hungarian children know that the former USSR owes us $2,000,000,000. This will be shared out among the CIS states. As far as I know, only Ukraine has indicated that it will pay the proportionate amount it owes.

Finally, we ask you not to agree to raise insurance charges.

[Kupa] The stock of debts we must repay is divided into two parts: gross and net. If I deduct the debts owed to us, the reserves, I get the net, which decreased by $1,500,000,000 last year. The stock of debts has decreased! Our gross stock of debts has not changed because the country's reserves, the debts owed to the country—if I am allowed to put it this way—have increased. The National Bank's foreign currency reserves have increased from $800,000,000 to nearly $5,000,000,000 in two years. We did not take on more than necessary, and we repaid it because our international financial situation is quite stable. We did not spend this on Nagymaros-Bos, among others.

As for the debts owed to us, the former USSR—now already Russia and Ukraine—owes us $1,600,000,000. We do not have high hopes for clearing it quickly, even after Ukrainian negotiations. As for the other debts owed

to us, which are still counted in rubles—we gave loans to Vietnam in rubles, for example—they amount to approximately $1,000,000,000. So, the visible debt owed to us, which we take in or not, looks roughly like this. The chances for this are rather variable. The Algerians...[changes thought] The Libyans do not pay. The Egyptians repaid their debts. We sold the debts of the Nigerians on the market, so we had access to money. That is the situation. [passage omitted on gasoline tax]

We have spoken at length about causes of the budget deficit: First, economic decline is greater than envisaged, which is why there is less income; second, tax revenues disappear as we privatize the economy; third—and you know this well—is the total of outstanding debts, i.e. the unpaid customs dues, the general turnover tax. There was a very informative program on this morning about cigarettes and illegal trade. Therefore, it arises from these three things. We will finance it out of the population's savings by issuing securities. However, irrespective of this, we must go to parliament [words indistinct].

[Hagelmayer] Because of the position I hold, I must object to the accusation that the government estimated the extent of the production decline badly. I might add that when we criticized the 1992 budget, we regarded some of its items as being unfounded, inter alia the Solidarity Fund's expenditures and revenues. I am not pleased about it, but I was right.

Why? First, the government thought the production decline would not be so great. As the minister puts it, there were fewer revenues following this. Thus, the revenues did not reach the level needed to finance these outlays.

I believe—I hear that this is also what the government believes—it necessary to state what government plans to reduce this deficit are. The Budget Law says that a new budget must be submitted if the government, in its own scope of authority, cannot take the necessary measures.

From what I hear, the government is also preparing to whittle down outlays to the tune of some 10,000,000,000 [currency not specified]. Perhaps then it will be able to keep the budget deficit at that level, whereby together with the reserves fund, it will be able to finance this deficit.

However, I might add that this is problematic, because I know that there are cash savings which could be used and that the deficit could be financed by these. However, it also must be clear that if these savings are used in this way, they cannot be spent on something else; they cannot finance investments. It will have some kind of impact on production. [passage omitted on unemployment and housing problems young people face]

[Question] Peter Medgyessy, one of your predecessors, is interviewed in today's NEPSZABADSAG. He says that this year's budget deficit could have been assessed at approximately 140,000,000,000 to 160,000,000,000 [currency not specified] and that this should have been announced with honesty. My question is whether the budget deficit will actually reach this level at year's end. If so, why did you not report on this issue?

[Kupa] The finance minister is not very lucky. Everybody says, on any issue: They knew about it beforehand but reported on it afterward. It was foreseeable that the budget's income would be pulled very tight and that if developments were not (?favorable), then the deficit would be higher. However, it was not expected to be this much higher; it was not foreseeable that they would not pay. The total of this year's deficit? I cannot say precisely. I always say that it will be between 4 and 5 percent of the produced income. This depends partly on the scale of unemployment. I do not believe it will be as high as is stated every week. However, there will be extra spending. How much can we save from the expenditures? How much can we collect on outstanding claims so that we do not ruin the firms' operation? That is a point, that a firm should not go bankrupt due to taxes if it is otherwise capable of functioning.

[Question] Modification of the Budget Law is on the agenda now, is it not?

[Kupa] It is on the agenda. We see that the deficit will increase, but the date has not yet been set. It depends on whether parliament will be in session all summer; in that case, we will not hurry that much. [passage omitted]

[Question] Who directs Hungarian economic policy today? That is, when you became a minister you acquired a certain top economic ministerial role, at least this could be read in many places. We heard that the government's economic program for the next two years was worked out under the direction of someone else, a minister without portfolio. How is all this in the case of the Kupa program? That is, who is mostly responsible today for the Hungarian economic policy?

[Kupa] Today, I lead an economic cabinet. Everything must be (?sent) to the government for a decision. The minister without portfolio of whom you spoke is responsible for privatization. By the way, he is a rather ambitious person [words indistinct]. [passage omitted]

Statistical Office Examines Economy's Performance

AU0206191592 Budapest MAGYAR HIRLAP in Hungarian 26 May 92 p 10

[Report by Ibolya Veres: Central Statistical Office Report on the Economy in the First Quarter—The Decline of Industrial Output Has Stopped"]

[Text] In spite of all previous (optimistic?) government plans, 1992 will not be a year of economic boom, at least this shows in the report of the Central Statistical Office [KSH] on the state of the economy in the first quarter of 1992. The performance of the national economy was way below the 1991 level in industry, agriculture, and transport. Unemployment continued to increase, and the

budget deficit was much greater than expected for this period. Large sums are missing from both the social security fund and the solidarity fund, the KSH reports. However, there are some positive tendencies. Inflation and the net amount of debt is decreasing, and the foreign trade balance is positive.

Industrial output was worth 454.2 billion forints in the first quarter, 19.5 percent less than in the first quarter of 1991 using comparative prices. Industrial production decreased each month last year. This tendency did not continue in 1992, and the level of production—disregarding seasonal effects—was higher in each month after December than it was in December itself, and it was 3.7 percent higher in March. Mainly large enterprises were affected by the fall in production, while the output of small organizations is continuing to increase dynamically. The decline mainly appeared in domestic sales while the exports were not reduced by so much.

Industry's sales decreased by less than production, namely by 14.1 percent. This is a result of 16.3 percent less in domestic sales and 5 percent less in exports than the year before. Mainly, the engineering, food, and chemical industries exported less in 1992 than in 1991. On the other hand, the export possibilities of the construction material industry, metallurgy, and light industries improved. Domestic sales decreased in all major sectors of industry, but in metallurgy it decreased the most.

In the first quarter, the industrial producers' price index was 12.2 percent higher than a year before. Within this, the price of domestically sold goods increased by less and the price of exported goods increased by more than the average.

Energy consumption of the national economy decreased by 11.5 percent in the first quarter. The economy's decreasing performance and the reduced role of the main energy-consuming industries contributed to this. The proportion of coal and imported electric energy decreased and the proportion of hydrocarbons and electric energy from nuclear power station increased as energy sources.

The performance value of investments—using current prices—was higher than a year before. Import machinery investments played a determining role in the increase. Some 47 percent of investments were made by incorporated economic units, some 31 percent were made by enterprises, and one-fifth by publicly financed or local government organizations. Almost half the investment was made in manufacturing industries. Considerable amounts were also used for transport, postal service, and telecommunications. At the same time, the size of investments was minimal in agriculture, mining, and education.

People's income was 383.6 billion forints in the first quarter, almost 20 percent more than a year before. Consumer prices increased by 26.2 percent in this period; therefore, the real value of the incomes decreased, similarly to previous years. Income from employment and social insurance increased by less than the average, while the income of private enterprises from economic organizations and the welfare payments increased by more than the average. The income of private enterprises was 41.6 billion forints, which is 45.4 percent more than a year before.

In the first quarter, an average of 275.7 billion forints were in circulation, some 23.7 percent more than a year before. People's deposit accounts—including foreign currency deposits, savings accounts, and interests—amounted to 507.8 billion forints at the end of March, which is 24.3 billion forints more than at the beginning of the year. At the end of March, people's debts were 187.6 billion forints, 18.1 billion forints less than on 1 January.

Foreign trade closed the first quarter with a 29.9 billion forint surplus. This was equivalent to almost $400 million, while the balance was more than $130 million in the red in the first quarter of 1991. The change of the markets was completed in 1991; therefore, our exports to the East-European countries increased by 16.8 percent (in forints) compared to the low level a year ago. Our exports to the EC countries increased by 22.6 percent and to the European Free Trade Association countries by 10.6 percent.

Some 5.2 million foreigners arrived in Hungary in the first quarter, some 2.7 percent more than a year before. Most people came from Romania and the successor states of Yugoslavia. In spite of the increased number of tourists, fewer foreigners used commercial accommodation. Hungarian citizens travelled abroad 2.4 million times, which is 7.4 percent more than in the same period last year. The country's foreign currency income from international tourism was equivalent to 8 billion forints and the expenditure was 6.1 billion. Compared to the previous year, this meant a 34 percent increase of incomes and 24 percent decrease of expenditure.

The KSH report also deals with the unemployment situation. According to this, the number of unemployed was 421,000 in the first quarter, which is a rate of 8.9 percent. Unemployment affects 10 percent or 375,000 of the households in Hungary. Almost 60 percent of the unemployed people are men. Some 40 percent of the unemployed are between the ages of 15 and 29. Some 3.3 percent (156,000 people) of the economically active population was employed part time. In March, more than 375,000 people received unemployment benefits or the benefits given to people seeking their first job. The average length of time spent receiving benefits increased to 201 days by March.

Average monthly benefits and allowances per head increased to 8,408 forints from the 7,310 forints in 1991. This way some 9 billion forints were paid out of the solidarity fund in the first quarter.

Defense Committee: Army Faces Officer Shortage

LD0506092792 Budapest MTV Television Network in Hungarian 1800 GMT 3 Jun 92

[Text] After the plenary session today, several parliamentary committees also held sessions. Here is a summary of the Defense Committee's session:

[Unidentified reporter] The Army's budget somewhat decreased last year, they have more or less exhausted their reserves. This process must be stopped as soon as possible, stated Colonel General (Karoly Lorincz). He said that while they have not used up any of their strategic reserves, their personnel problems are the greatest of all because 695 commissioned and noncommissioned officers have taken off the uniform in the recent past for better paying jobs. Today the Army lacks at least 2,000 young officers, and new ones will hardly come to carry out this difficult service for a 15,000-16,000 forint salary.

Retention of Collective Farms Advocated

LD0106170392 Budapest Kossuth Radio Network in Hungarian 1600 GMT 30 May 92

[Report by Imre Benkoe]

[Excerpt] We must not and cannot return to Kadarite socialism, Gyula Thurmer, chairman of the Hungarian Socialist Workers Party, has stressed. We must take the present as a basis, and useful elements of capitalism and socialism must be combined to benefit workers and peasants who are not represented by anybody in parliament—the reason why the Hungarian Socialist Workers Party has an important role.

Gyula Thurmer has called on the peasants of Turkeve—once the first cooperative town—to retain agricultural cooperatives, saying that the administration is using every political and economic means to bankrupt collective farms, with Hungarian agriculture and the peasantry being used as a scapegoat for the past.

The Hungarian Socialist Workers Party thoroughly condemns the political campaign against the president. We do not want, he said, red flags over Hungarian radio and TV, but nor will we tolerate Hungarian Democratic Forum flags over the two national institutions. [passage omitted]

Law on National, Ethnic Minorities Sought

LD0206224792 Budapest MTI in English 1626 GMT 2 Jun 92

[Text] Budapest, June 2 (MTI)—Parliament is in default for failing to draw up the law on national and ethnic minorities, the constitutional court ruled on Tuesday.

In its resolution, the court called on parliament to make up for the omission by December 1.

The minority law should be passed by a decisive majority, given that the Constitution regards the national and ethnic minorites as state-forming factors of outstanding importance.

During its plenary session today, the constitutional court discussed the motion saying that the government Decree No. 1047/1974 which enables the government to exercise control over radio and television runs counter to the Constitution.

It was partly on the strength of this decree that the prime minister appointed the radio and television vice-presidents, and asked parliament's cultural committee to test the two media presidents for suitability to fill their posts.

Government Dismissed by Sejm, Pawlak Nominated

Walesa Requests Olszewski's Dismissal

LD0406175592 Warsaw TVP Television First Program Network in Polish 1730 GMT 4 Jun 92

[Text] President Lech Walesa has conveyed a letter to the Sejm requesting the immediate dismissal of Jan Olszewski from the post of chairman of the Council of Ministers.

Olszewski Addresses Nation Before Vote

LD0406220192 Warsaw TVP Television Second Program Network in Polish 2101 GMT 4 Jun 92

[Address to the nation by Polish Prime Minister Jan Olszewski; no video available—live]

[Text] Countrymen! It is three years ago today since the elections in which millions of Poles openly rejected communism. At that time, in June 1989, Poland was in the vanguard of change, in the vanguard of liberation changes in Europe; Poland stood up for its own independence and cleared the way for other nations.

Unfortunately, immediately after these elections, we started to waste time and chances. The Communists retained the top posts in power. Poland—from its leading position—slid back in many ways to the place of a laggard. The symbol of this tardiness is the fact that for another 18 months those alien and unwanted armed forces will still be stationed on our territory.

The government which I formed was a government called into being by the first free Sejm of the Third Republic. In my December speech I spoke of the will to build a new and totally democratic Polish state, liberated from the weight of its Communist past. This program was implemented by my government, which encountered enormous difficulties and resistance. Laboriously we built a country which its citizens could respect, a country totally independent, a country in which the Army and the police would be fully subordinate to a democratic and representative, Polish authority. The Poland we were striving for was a Poland rebuilding a sense of national dignity based on sincerity, on truth, on ourselves, on a truth both sublime and shamefaced.

For that reason, my government was the first to want to reveal the former secret links of people, who, of their own free will, in recent years entered the organs of the new authorities. I think the Polish nation should feel that among the people who rule them, there is no one who helped the Security Office and the Security Service in order to keep Poles in servitude. I think that former collaborators of the Communist political police could be a threat to the security of a free Poland.

The nation should know that it is no accident that at the very moment when we could make a final break with Communist links, there is a sudden motion for the government's dismissal. A new history in Poland cannot be created without recreating its moral foundations. We exist as a state only thanks to the fact that for generations we have been able to meet great demands.

We are now faced with a new test. A free nation, an independent state, cannot be ruled by people enslaved by their own past.

Solidarity To Abstain from Vote

LD0406135192 Warsaw PAP in English 1258 GMT 4 Jun 92

[Text] Gdansk, June 4—The parliamentary group of the Solidarity Trade Union on Thursday announced its intention to abstain in the vote of no-confidence in the government of Prime Minister Jan Olszewski, scheduled for later on Thursday.

In a separate move, Solidarity's National Commission issued a statement that the union opposed the use of Poland's economic problems "as a bargaining counter in a struggle for political power between conflicting groups."

The National Commission also noted that the Government, despite agreement reached with the union in recent negotiations, had failed to take steps to prepare legislative solutions to such problems of fundamental importance as enterprise indebtedness, the establishment of a state treasury, or the principles of allocation for investment credits.

The National Commission said that the union would use all means, including a possible general strike, to persuade the Government to take steps to rebuild the Polish economy and defend Polish living standards.

Sejm Dismisses Government

LD0406235692 Warsaw PAP in English 2143 GMT 4 Jun 92

[Text] Warsaw, June 4—The Sejm (lower house) dismissed the cabinet of Prime Minister Jan Olszewski shortly after midnight on Friday morning with 273 votes versus 119 and 33 abstentions.

The voting was held in the end of a long debate when the house dismissed Finance Minister Andrzej Olechowski first and then the whole cabinet.

The debate and resulting decision of the house was initiated by a motion for cabinet dismissal made by Democratic Union's Deputy Piotr Nowina-Konopka on behalf of the "small coalition" of Liberal-Democrats, the Polish Economic Programme, and the Democratic Union.

Walesa Proposes Pawlak

LD0506085692

[Deitorial Report] Warsaw Radio Warszawa Network in Polish at 0810 GMT on 5 June reports that at 0810 GMT

the Polish Sejm resumes its debates. The speaker says: "I inform you that the president of the Polish Republic has submitted a letter reading as follows: On the basis of Article 32F, Paragraph One, of the Constitution of the Polish Republic, I move to appoint Mr. Waldemar Pawlak to the post of chairman of the Council of Ministers. Signed: Lech Walesa." This announcement is followed by applause.

It is announced that the president's motion to appoint Waldemar Pawlak to the post of chairman of the Council of Ministers has been added to the agenda. A break until 0845 GMT is announced in order for parliamentary floor group leaders to meet with President Lech Walesa to discuss the issue.

Pawlak Addresses Sejm

LD0506133192 Warsaw Radio Warszawa Network in Polish 1142 GMT 5 Jun 92

[Speech by Polish Prime Minister-designate Waldemar Pawlak to the Sejm session at the Sejm Hall in Warsaw—live]

[Text] Mr. President—may it please the House: When I expressed my consent to Mr. President's nomination there were other conditions and the situation was difficult. Today it is even more difficult. The situation has become a dramatic one. Here in this chamber a question was asked to whom Poland belongs. Poland belongs to all of us. There is room for everyone in Poland. We have had enough of those times when any of us could be denied the right to Poland.

Mr. Speaker—may it please the House: All our misfortunes and failures are the result of envy and argument. We have been losing as a nation and as a state.

Mr. Speaker—may it please the House: I was born in 1959 in the Polish countryside into a system that was not chosen by us Poles. I did not create that system, but I want to change the system. One has to move forward with the living and break the hatred and prejudices in the interests of the state. I believe that those of us now living on Polish soil can unite not only in times of disaster, failures, or humiliations. I believe we can act in the cause of joint good in a time of trial. The time has come to end the fight against people, the fight against organizations, and the fight of us all with ourselves. The time has come to begin the struggle of how to resolve the difficult Polish matters more quickly, more efficiently, and more effectively.

I stand before you, from among you, to seek accord. I took up this difficult task following a conversation with Mr. President in the face of the dramatic situation of the state.

I presented Mr. President with the concept of the formation of a balanced government based on two coalitions and on a jointly agreed program—a program that can be implemented not as declarations, but as actions that are particularly needed here.

Ladies and gentlemen, it is up to all of us whether we will find accord. I will speak with everyone to whom Polish matters are dear. [applause]

Walesa Tries To Form New Coalition

LD0506113392 Warsaw PAP in English 0950 GMT 5 Jun 92

[Text] Warsaw, June 5—President Lech Walesa on Friday morning, asked why he has decided to ask parliament to elect Waldemar Pawlak premier, the president said he had in mind the possibility to reach an agreement among various groups and to to consolidate reforms.

Inquired about the composition of a new government coalition, the president pointed to the Democratic Union (UD), the Liberal- Democratic Congress (KLD), the Polish Economic Programme (PPG), farmers' parties and the Confederation for Independent Poland (KPN).

Before the start of today's plenary meeting of the Sejm, President Walesa met with Waldemar Pawlak of the Polish Peasant Party (PSL), Bronislaw Geremek (UD), Donald Tusk (KLD), Bogdan Borusiewicz (Solidarity), Tomasz Bankowski (PPG), Leszek Moczulski (KPN), Tadeusz Mazowiecki (UD) and Gabriel Janowski of the Peasant Agreement (PL).

Walesa Calls for Majority Support

LD0506111392 Warsaw Radio Warszawa Network in Polish 0918 GMT 5 Jun 92

[Text] President Lech Walesa wants the new prime minister to have the support of a parliamentary majority. Presidential Spokesman Andrzej Drzycimski stressed that Lech Walesa observes, and will always observe, the principles of democracy.

[Begin Drzycimski recording] This was the case with Prime Minister Jan Olszewski. The president wants to respect the majority that will emerge in the parliament. Let me recall that when we had the elections in October last year the president said that the party that wins would have a candidate for prime minister. Bronislaw Geremek's candidacy was proposed, as the Democratic Union won the election. They won by a small margin, but won nevertheless. The candidate failed to gain acceptance of the remaining political parties and could not assume his mission. Another candidate emerged from a democratic majority. According to the president, this is the order of things. This guarantees the shaping of a certain stability in the parliament. The president continues to say this because he believes that this democracy which [illegible] shaped requires the shaping of certain princi[illegible] functioning from the very beginning.

The president would like the majority that emerges in the parliament to support the new designate. [end recording]

Wlodarczyk To Preside Over Government

LD0506120992 Warsaw PAP in English 1030 GMT 5 Jun 92

[Text] Warsaw, June 5—Government spokesman Jan Polkowski on Friday denied opinions that Premier Jan Olszewski's decision to ask head of the office of the Council of Ministers, Minister Wojciech Wlodarczyk to temporarily preside over the Council of Ministers is a sign of the premier's lack of confidence in Interior Minister Antoni Macierewicz. The latter usually acted as head of the Council of Ministers when Olszewski was absent.

Polkowski also said that Minister Antoni Macierewicz declared during the meeting that he was personally responsible for the implementation of the Sejm resolution (on the exposure of former secret service agents) and thus also for its political effect on the government as a whole.

The spokesman added that "the prime minister said he has been consulted on all details concerning this issue and by accepting respective steps he is morally and politically responsible for the implementation of the resolution."

UD Against Pawlak Nomination

LD0506142292 Warsaw PAP in English 1126 GMT 5 Jun 92

[Text] Warsaw, June 5—Deputy Michal Ujazdowski of the Democratic Union (UD) said on Friday that the UD Democratic Right Faction intends to vote against the candidacy of Waldemar Pawlak for prime minister.

Ujazdowski also hinted that at this moment it is not sure whether the faction will be the only group to assume such a position. The final decision is to be reached during the nearest meeting of the UD Parliamentary Club.

Controversy on Former Security Agents Continues

Olszewski Rejects Walesa's Charges

LD0406215292 Warsaw TVP Television First Program Network in Polish 1730 GMT 4 Jun 92

[No video available]

[Text] Prime Minister Jan Olszewski, with the participation of Piotr Naimski, head of the State Protection Office, has held a news conference in the office of the Council of Ministers in connection with President Lech Walesa's statement.

In the prime minister's opinion, the documents given to parliament were prepared on the basis of all the information available regarding the Interior Ministry and are as objective and true as is humanly possible. During their preparation only one instance of falsification was discovered.

[Begin Olszewski recording] I do not know the basis of the assertion in this statement that data has been fabricated. Perhaps the president possesses information about this matter which I do not possess. I cannot pronounce on this matter. [end recording]

[Announcer] Piotr Naimski, head of the State Protection Office, said every police collaborator was noted in at least 10 different documents. He also denied that in the eighties he signed a declaration of loyalty—something Wladyslaw Frasyniuk and Zbigniew Bujak are accusing him of.

Premier Olszewski believes that only his government could have implemented such a law. Ducking the problem of former agents has thrown a long shadow on the whole of Polish life.

[Begin Olszewski recording] This residue, this legacy concerning the former security organs, is a charge set under the foundations of the state we are building at this moment. I am very much aware of the fact that this charge must be deactivated. [end recording]

[Announcer] State employees whose collaboration with the security services is proved will be held professionally responsible. The fair conduct of the whole vetting procedure is to be provided by the Adam Strzembosz Commission, which is composed of judges from the state tribunal and representatives of various political forces.

Olszewski Asks Macierewicz for Files

LD0506113892 Warsaw PAP in English 1717 GMT 4 Jun 92

[Text] Warsaw, June 4—Premier Jan Olszewski said Thursday that in connection with the Sejm resolution on the exposure of former security service agents, he would ask the Interior Minister Antoni Macierewicz to deliver all materials concerning the present cabinet members.

The prime minister added that the obtained information would be made accessible to the ministers. "If they draw conclusions all by themselves, the affair will be closed. I think that in case of any doubts, the procedure of objective verification of information should be applied," Olszewski said.

Charges Against Skubiszewski Renewed

LD0506031292 Warsaw PAP in English 2327 GMT 4 Jun 92

[Text] Warsaw, June 4—Foreign Ministry Press Spokesman Grzegorz Dzemidowicz rubished allegations repeated on television that Foreign Minister Skubiszewski was a former agent of the security service under the communist regime.

He described as absurd the statement made by former prime ministerial aide Krzysztof Wyszkowski on TV Wednesday night that "the absence of Foreign Minister Skubiszewski during the visit in Poland this week of President of the European Community Commission Jaques Delors is a confirmation that the minister had worked as an agent." Wyszkowski was in effect repeating the allegations he had made in the daily NOWY SWIAT in May concerning Skubiszewski.

Meanwhile the president of the radio and television committee Zbigniew Romaszewski suspended the television programme "Reflex" on which the allegations were repeated, according to TV news.

Romaszewski accused programmes makers Jacek Kurski and Piotr Semka of infringing the principles of objectivity. He added that Reflex was not the only programme which had done this and that he was awaiting a changed formula for the programme from Kurski and Semka.

Minister Skubiszewski is currently visiting Geneva and Oslo. On Thursday he met the UN assistant secretary general, Antoine Blanca and the president of the International Red Cross, Cornelio Sommaruga. Later he flew to Oslo where he was received by the king of Norway. On Friday he will participate in a meeting of the North Atlantic Cooperation Council.

Macierewicz Accused of Collaborating

LD0506113492 Warsaw PAP in English 1708 GMT 4 Jun 92

[Text] Warsaw, June 4—Two leading figures from Poland's Solidarity underground of the 1980s on Thursday strongly criticized Polish Interior Minister Antoni Macierewicz for his handling of the collaboration issue, and accused him of having himself compromised with the then communist authorities.

In a public declaration to the Polish Sejm (lower house), deputies Zbigniew Bujak and Wladyslaw Frasyniuk said that they became involved in the underground struggle against the communist authorities to ensure that the Interior Ministry would never again have unlimited power over the state, the ordinary citizen, and political life. Now, as a result of an irresponsible decision from a part of the Sejm, and the illegal operation of the Interior Ministry, the state apparatus again has uncontrolled power over individual citizens.

Bujak and Frasyniuk continued that it was shameful that the investigations should be conducted by people who compromised with the communist regime. "Macierewicz himself gave up the underground struggle following an agreement with communist Interior Minister General Czeslaw Kiszczak. It is a matter of honour that such persons should immediately cease to carry out duties for which a clear moral basis is essential."

In a related move Jacek Taylor, a Sejm deputy from the Democratic Union (UD), called in the Sejm for full weight of the criminal code to be brought to bear against those individuals who have falsely accused Foreign Minister Krzysztof Skubiszewski of collaboration with the communist regime.

Taylor said that the minister of justice, as prosecutor general, had the power to bring criminal charges in the matter of slander against a government minister. He believed that the minister had begun preliminary moves, but called for the Sejm to be informed of progress to date.

Senators Comment on List

LD0506030392 Warsaw PAP in English 2305 GMT 4 Jun 92

[Text] Warsaw, June 4—On Thursday morning most of the leaders of the parliamentary floor groups obtained from the Sejm (lower house) chancellery envelopes marked "top secret" containing information about people who had worked for the security services under the communist regime.

This procedure was adopted following a Sejm resolution on May 28 empowering the interior minister to provide the information. By Thursday evening it had turned out that there were two lists. The more detailed one was issued to the president, the speakers of the Sejm and Senate, the prime minister, the president of the Supreme Court and the president of the Constitutional Tribunal.

Unofficially it was rumoured that the lists issued to the chairmen of deputies floor groups contained the names of 11 parliamentarians from the excommunist SLD, 9 from the PSL (Polish Peasant Party), 4 each from the UD (Democratic Union) and Solidarity, 2 from the ZCHN (Christian National Union), KLD (Congress of Liberal Democrats) and KPN (Confederation for an Independent Poland), and one each from the German Minority Party, the PCHD (Christian Democrats) and the PL (Peasant Alliance). It was claimed that there were no names from the PC (Centre Alliance), Labour Solidarity and the Union of Real Politics.

Members of the convention of senior parliamentarians could obtain no unambiguous information from Interior Minister Macieriewicz whether the names on the lists were people who had worked for the security services. The minister would only say that the information had been taken from the Interior Ministry archives.

After the statement signed by 40 senators was read out, Senator Zofia Kuratowska (Democratic Union) took the floor to declare that "what happened today, the handing over of lists of alleged security service agents among Sejm deputies and senators, is a much greater harm done to the nation than the harm done in the past by some of those people, if the lists tell the truth. What has happended is a sure way of putting everone in poland at odds with everyone else, while the country needs agreement."

Senators from other parties presented similar assesments of the Sejm resolution which urged the interior minister

to present the lists of former agents. Senator Jerzy Madej (Independent) said the affair was the result of "a political game for survival played by the government." He added what mattered was not clearing the atmosphere but holding on to power.

Another independent senator, Ryszard Juszkiewicz, termed the Sejm resolution "morally illegal."

Senators from the Christian National Union (ZCHN) saw the issue differently. Piotr Andrzejewski pointed out that the Sejm adopted the resolution in a democratic procedure and that the resolution should be carried into life without infringing on human rights. The conduct of those MPs who have been handed envelopes containing lists of former agents will determine whether human rights and secrecy will be protected.

Geremek Doubts Stability of Any Government

PM0406154092 Krakow GAZETA KRAKOWSKA in Polish 27 May 92 pp 1-2

[Interview with Prof Bronislaw Geremek, chairman of Democratic Union Parliamentary Caucus, by correspondent Katarzyna Kolenda on 26 May; place not given; first three paragraphs are editorial introduction]

[Text] The Democratic Union wants to declare a vote of no confidence in the government and to set up a new cabinet together with the remaining members of the "little coalition," that is, the Liberal Democratic Congress and the Polish Economic Program group.

According to Deputy Jan Rokita, the projected action scenario will look as follows:

—the president delivers an address in which he demands the Jan Olszewski government's resignation;

—a motion is submitted to the Sejm proposing that a vote of no confidence be declared, after the budget has been approved;

—negotiations on the appointment of a new cabinet begin.

Yesterday GAZETA KRAKOWSKA interviewed Professor Bronislaw Geremek, chairman of the Democratic Union Parliamentary Caucus.

[Kolenda] What will happen if the proposed scenario misfires? Suppose the Sejm refuses to adopt a motion of no confidence in the government...

[Geremek] Premier Olszewski is very firmly attached to his position and he could, in fact, secure significant support in the Sejm from the Confederation for an Independent Poland [KPN], the Polish Peasant Party, and also other parties belonging to the government coalition. Then the government will remain in place and the vote of no confidence will be rejected.

I believe that the best course of action then will be to gather a coalition around a clearly formulated program based on parliamentary bills rather than verbal declarations. This should be done as quickly as possible, preferably within a couple of months. In fact, the Democratic Union has already embarked on such a course. We have prepared bills proposing reforms in the health service, education, and housing sectors. Other bills introduce changes in the tax system and propose to remove barriers to entrepreneurship in the private and state sectors. A new coalition is forming around these specific projects. This should be more stable than a coalition set up around purely political goals.

In any case, I do not believe that the present circumstances will allow anyone to set up a permanently stable government. No new government can last longer than just a few months.

Even if the Olszewski government hangs on, it cannot ultimately survive longer than several months, either. Consequently, we have two options: to change the government now, without delay, or to waste several months and have to do it later, anyway.

[Kolenda] Many politicians share your views, but still suggest that we should announce another election.

[Geremek] I do not share the alarmist forecasts which maintain that only completely irrational programs would stand a chance in a new election. We must have faith and assume that the public have learned something from past experience and will now apply this knowledge to make sensible, rational decisions. On the other hand, I do indeed fear that the election turnout would be very low. I also think that we should not decide to call an election unless all the alternative possibilities for introducing some order into the disorganized and anarchical political spectrum have been exhausted. Is this at all possible today? I believe it is. However, if it turns out that I was wrong, then a new election would indeed present the best solution.

[Kolenda] The Democratic Union has initiated a very hazardous game. We can expect that a motion to dismiss the Olszewski cabinet will be supported first of all by the Democratic Left Alliance. Let us suppose that such a motion is submitted. Then, the Democratic Union will find itself isolated, sharing the battleground only with the postcommunists. Is this not too great a risk for the party to take?

[Geremek] I do not believe that the Union risks becoming isolated in such a way and pushed toward left-wing positions. I think that such a scenario represents the conceptual vestiges of a slightly alarmist political setup—vestiges that are already slowly evaporating today. Of course, the Democratic Union could find itself in a minority. But you should remember that when we protested the "Social and Economic Proposals for 1992," we were also isolated to begin with. Front page press articles carried headlines which announced that the Democratic Union suffered a defeat. But after barely two weeks it became apparent that our position had the

support of the majority of the public, and the document was rejected. Now I expect to see the same thing happening.

Tyminski Urges Followers To March on Belvedere

LD0406214192 Warsaw PAP in English 2003 GMT 4 Jun 92

[Text] Katowice, June 4—?arty X leader Stanislaw Tyminski appealed to his followers in Upper Silesia (South-West Poland) on Thursday to March on the Belvedere Presidential Palace.

"Only in this way can we force the president to resign, parliament to dissolve. This national multi-million referendum will cleanse our country of murderers, bandits and manipulators," claimed Tyminski.

Russians Agree To Inspection of Garrisons

LD0506124892 Warsaw PAP in English 2054 GMT 4 Jun 92

[Text] Warsaw, June 4—Polish-Russian inspections of garrisons of the former Soviet Army with the participation of Polish inspectors of environment protection are to be conducted as of June 9, Director of the State Inspection of Environment Protection Zbigniew Kamienski said on Thursday.

During the inspections which are intended to prevent further devastation of the garrisons, the to date ecological losses will be assessed.

The Polish side has had problems so far with keeping records of the ecological condition of the areas as Polish inspectors were refused entry to garrisons.

General Viktor Dubynin, the commander of the Northern Group of Troops of the former Soviet Army is to be given instructions by the State Inspection of Environment Protection on June 5.

Sejm Discusses Foreign Investment Climate

AU0306113892 Warsaw ZYCIE WARSZAWY in Polish 28 May 92 pp 1, 2

['now'-signed report: "Unfavorable Climate"]

[Text] Hold back on investing in Poland, because of a lack of political stability, frequent changes of government, and as a result, a lack of partners for making decisions—that is the conclusion reached in a report on Poland, Hungary, and Czechoslovakia produced by Western economic missions. As a result, Western businessmen have invested 2.5 times as much capital in Hungary and more than twice as much in Czechoslovakia as in our country.

At the same time, there are at least four reasons why Poland needs foreign investors said Deputy Ryszard Czarnecki (Christian- National Union) at a meeting of the Sejm Commission for the Economic System and Industry. They are as follows:

—we do not have the capital to reconstruct industry so that it is modern and productive;

—foreign investors bring know-how with them; the latest technology cannot be obtained in any other way, as it is seldom "latest generation" technology that is sold;

—foreign investors open doors to world markets; selling goods is an art, which we are not familiar with, and we also do not have appropriate contacts;

—investors bring with them high caliber managers who manage professionally; that knowledge is also something that Poland needs.

What does it matter if there are 6,181 companies with foreign capital registered, if only 481 are involved in production. The remaining companies are involved in trade.

"What must be created is a high level post for an official who would remove all the obstacles for foreign investors," concluded Deputy Czarnecki.

Stefan Lewandowski, the president of the Foreign Investors Chamber, said: "Our country is now 'paying' for inappropriate decisions made by previous government, including the abolition of foreign currency accounts for foreign investors and the law on foreign investment, which is not conducive to the influx of capital." "It is a disincentive," added Krystyna Wychowaniec, the chamber's deputy president. This is because it sets conditions for casinos, consultancy firms. The abolition of tax holidays and so on is perceived as not being normal by businessmen. Why successive Polish governments should be courting large companies is considered puzzling abroad, because small companies are leaders in innovation the world over. The West has lost its enthusiasm for Poland.

Deputy Janusz Lewandowski (Liberal-Democratic Congress) took issue with that. He said: "Our legislation is comparable with that in Hungary and Czechoslovakia. We need large investors, because large factories are the legacy of communism and small businessmen will not save them. If foreign investors are not coming to Poland, then it is because the climate is not right, there is not enough clarity with regard to decisionmakers and ownership rights."

Customs Officers Foil Illegal Syrian Arms Sale

LD0406145492 Warsaw PAP in English 1326 GMT 4 Jun 92

[Text] Szczecin, June 4—An illegal attempt to export to Syria spare parts for Czechoslovak-made tanks was

foiled on June 3 by Polish customs officers, the Szczecin provincial prosecutors office announced on Thursday.

According to the prosecutors office, 290 cases of spare parts for Czechoslovak-made tanks were being exported under false documentation which claimed that the cases contained car spare parts. The transporter of the cases is the "Intersped" transport company, a Polish-German-Czechoslovak joint venture.

Investigations are continuing into the matter of the false documentation, and into the level of losses sustained by Polands state treasury, since customs duties on arms shipments far exceed those for car spare parts.

Yugoslav Oil Blocked in Port of Constanta

AU0406203592 Bucharest Radio Romania Network in Romanian 1900 GMT 4 Jun 92

[Text] A correspondent of the Romanian Television Company has told us this evening that over 260,000 tonnes of oil meant for Yugoslavia have been blocked by Romania in the port of Constanta, as a consequence of the embargo imposed on Yugoslavia.

The oil tanker "Sir John," sailing under the Greek flag, which was carrying 120,000 tonnes of oil, was unloaded in the mentioned port, while processed fuel carried by the same ship was to be carried to Yugoslavia via Danube.

Another quantity of 140,000 tonnes of oil—which had already arrived in Constanta prior to the embargo going effective—was also blocked in that port, according to Romanian Television.

FRY Embargo Costs $350 Million

AU0406200292 Bucharest ROMPRES in English 1618 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—Romania's losses following the economic embargo against Serbia and Montenegro by the U.N. Security Council are estimated at approximately $350 million, government spokesman Iolanda Staniloiu told the weekly news conference on Thursday, 4 June.

This amount is not final. An interdepartmental group made up of representatives of the Foreign Ministry, the Trade and Tourism Ministry, the Ministry of Industry, and the Ministry of Transport is to analyze in detail the consequences of the embargo on Romania and submit its conclusions to the executive in the next three days together with the measures required, the dignitary stressed.

The spokesman announced the approval by the I.M.F. of another two loans for Romania worth $430 million and $105 million, respectively.

Concerning this year's general elections, Iolanda Staniloiu showed that the government stuck to the stand it had asserted several times, namely that they must be held as soon as possible.

In his capacity as invited guest to the news conference, Nicolae Marcuta, undersecretary of state at the Ministry of Environment, referred to the waste scandal in Romania, stressing that for the time being nobody knew anything about either the quantity of wastes brought to this country, or whether they were to be returned to the place they came from, nor who was going to pay for all costs, or who was to be held responsible for everything. He assessed the situation as particularly serious, informing those present that a number of inquiries were under way.

FSDN Senator Disagrees With Embargo

AU0406194792 Bucharest ROMPRES in English 1401 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—Stelian Dedu, Mehedinti County senator for the Democratic National Salvation Front [FDSN], read Thursday, June 4, before the Senate, an interpelation addressed to the Romanian prime minister and the minister of foreign affairs, on the decision taken by the Romanian Government to observe the UN embargo against Serbia and Montenegro.

Senator Stelian Dedu said the consequences of this decision were much greater for Romania than governmental estimations. The speaker mentioned that there existed a bilateral agreement between Romania and Serbia on the exploitation of Portile de Fier hydropower system, that has to be rigorously observed by the two signatories. He pointed out that the disregarding of this accord would have catastrophic consequences in the area.

Senator Stelian Dedu opined that, considering the special situation of Romania, the said embargo should not have been accepted, and asked the government to send a well-grounded answer to the United Nations.

Parties Deliver Statements About July Elections

TU Block Calls for Support

AU0406194892 Bucharest ROMPRES in English 1425 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—Romania's National Union [TU] Block launched an appeal to trade unions, pensioners, and students to organize demonstrations and allies all over Romania to ask for general elections on July 26, 1992.

The appeal sent to ROMPRES to be released, considers the holding of polls on that date to be "a vital issue" for Romania's stability and expresses its hope that the problem will be solved in such a way as to avert a general strike.

FSN Favors 'Rapid' Elections

AU0406201292 Bucharest ROMPRES in English 1852 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—"The National Salvation Front [FSN] wants rapid elections" was stressed during that party's news conference on Thursday, June 4.

In that context emphasis was placed on the fact that the National Salvation Front, although is for separate parliamentary and presidential elections, has accepted that they be held at the same time but in July.

Appreciation was made that any postponement of the elections would have serious consequences over the country. Although Romania is in a difficult state,

although all political forces publicly admit it, the backstage practices prove that in fact such a thing is not wished, Victor Bostinaru, leader of the National Salvation Front parliamentary group, stressed.

Another front-ranking member of the party, Caius Dragomir, said that there are no possibilities of conciliation between the National Salvation Front and communism, that is between the National Salvation Front and the Democratic National Salvation Front.

CD Nominates Candidates

AU0406141492 Bucharest ROMPRES in English 1241 GMT 4 Jun 92

[Text] Bucharest ROMPRES 4/6/1992—The Steering Board of the Democratic Convention [CD] proposed four candidates to Romania's presidency, namely Nicolae Manolescu (Civic Alliance Party), Emil Constantinescu (Civic Alliance), Ion Ratiu (Christian-Democratic National Peasant Party) and Sergiu Cunescu (Romanian Social- Democratic Party). Nicu Stancescu, representing the Party for Democratic Unity withdrew from the race. The leaders of the parties in the Democratic Convention said they favoured polls in the month of July. The rally of the Democratic Convention scheduled for Sunday, June 6, was called off as inopportune before the voting of the electoral bill.

Senator Makes 'Critical Remarks' at WEU Meeting

AU0406142892 Bucharest ROMPRES in English 1037 GMT 4 Jun 92

[Text] Bucharest ROMPRES 4/6/1992—Senator Vasile Vacaru, who headed a parliamentary delegation that attended the proceedings of the Western European Union [WEU], held in Paris, told "ROMPRES" at his return, that "the Romanian delegation made a number of critical remarks on the draft recommendations regarding national minorities, containing incorrect wordings as far as Romania is concerned.

As for Romania's admission to European bodies, Vasile Vacaru mentioned that an attempt was made at the meeting on "a two-phase admission," namely Poland, Hungary and Czechoslovakia first, Bulgaria, Romania and the Baltic states next. According to Mr. Vacaru, the Romanian delegation replied that "such selective criteria were good for nobody."

The head of the Romanian delegation added that the Romanians had asked all the delegations attending the sitting to react to what was going on on the left bank of the Dniester, in Transdniestria, that is part of the Republic of Moldova, where the presence of the 14th Army of the former Soviet Union can make a war possible.

Technician Identified in Uranium Theft Scheme

AU0406210692 Bucharest Television Romania Network in Romanian 1700 GMT 4 Jun 92

[Text] Ten kilograms of uranium have been stolen from the Feldioara Radioactive Materials Company and another 200 kilograms have been put aside [puse la o parte] to be stolen later.

The police action "Uranium 235" launched by the Firearms, Explosives, and Narcotics Direction of the General Police Inspectorate and the same profile bureaus of the Brasov and Arad county police led to identifying Gheorghe Dumitrache, a technician of the "R" Preparation Plant, as the person who stole the 10 kilograms of uranium over 1991. This year, he was planning to steal a much larger quantity, so he put aside another 200 kilograms of uranium. He meant to sell that quantity in Hungary, hoping to receive 500,000 lei per kilogram.

Also cooperating in the action were the Hungarian police, who discovered 10 persons involved in that business, also retrieving 6 kilograms of uranium.

Aiming to escape a police roadblock, the criminals managed to dump 1 kilogram of uranium in the Mures River. Efforts are underway to retrieve the dumped uranium with the assistance of the Radiation Hygiene Laboratory.

IMF Approves Another Stand-by Credit

AU0506094892 Bucharest ROMPRES in English 1844 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—On May 29, 1992, the board of executive directors of the IMF approved another stand-by credit for Romania for a duration of ten months starting the date of approval worth 314.04 SDR [Special Drawing Rights] (roughly 430 million US dollars), Romania's National Bank informs in a press release.

Half of this amount, that is 157.02 SDR (about 215 million US dollars) was received on June 3. The remainder will be granted in three tranches of 52.34 SDR each (about 70 million US dollars) on August 15, 1992, November 15, 1992 and February 15, 1993.

Also in June the IMF will grant Romania another credit worth 76.6 million SDR (roughly 105 million US dollars) as compensation for oil imports.

These credits are meant to assist the implementation of the programme of economic reform worked out by the government in 1992 whose major goals are to stop the decline of economic activities, lower inflation rate to a controllable level, remake hard currency balance and increase Romania's international reserves.

Talks With Hungarian Foreign Ministry Held

AU0506095292 Bucharest ROMPRES in English 1847 GMT 4 Jun 92

[Text] Bucharest, ROMPRES, 4/6/1992—Over June 2-4, 1992 Bucharest hosted the talk at the level of directors in the Ministries of Foreign Affairs of Romania and the Republic of Hungary. They occasioned the elaboration of an aide-memoir consisting of the themes of the Romanian-Hungarian collaboration recently discussed in Budapest by Secretaries of State Teodor Melescanu and Tamas Katona.

During the talks analysis was made of modalities meant to facilitate the soonest possible resumption of negotiations on the treaty of understanding, cooperation and good neighborliness between the two countries.

The document referring to the consultations of the secretaries of state in the Ministries of Foreign Affairs stresses the importance Romania's and Hungary's Governments attach to the observance in their mutual relations of the international law, of the principles and norms in the CSCE final act, Paris Charter and the documents adopted by other all-European meetings; it also gives an important number of actions in the political, juridical, economic, cultural- scientific and consular fields.

The sides convened to support the implementation of the provisions in the aide-memoir by organizing periodical meetings and consultations at various levels as well as in international organizations and meetings, the stimulation of economic agents in both countries in promoting trade, economic cooperation and tourism, the knowledge of the two peoples' cultural values.

The sides reiterated their different points of view on certain Hungarian proposals concerning the setting up of a Joint Romanian-Hungarian Commission for Minorities and the elaboration of a bilateral Romanian-Hungarian statement in the minorities' question as well as in connection with the Hungarian side's demand that the consulate in Cluj-Napoca be reopened and that consular representations be set up in Romania.

Presidential Counselor Boda Discusses His Duties

AU0406085692 Bucharest TINERETUL LIBER in Romanian 26 May 92 pp 1, 7

[Part one of interview with presidential counselor Iosif Boda, by L. Avramescu; place and date not given: "We Have Not Gotten Rid of All Possible Dictatorships"]

[Excerpts] [Avramescu] Mr. Counselor, we met under the circumstances of a confrontational discussion, and since now we can talk directly to each other, I would like for you to clarify in an interview for the TINERETUL LIBER all those issues that made up the subject of your complaint about the truth regarding an A.M. PRESS report. The report that you were complaining about had been broadcast on the independent television station SOTI and was directed against the presence of presidential counselor Iosif Boda in Jiu Valley during the miners' incursion, those harmful events in Romania's postrevolutionary history.

[Boda] Mr. Avramescu, I do not think that we can talk about a controversial discussion. This was a piece of news disseminated by you, and had I been you, namely the director of a news agency, I would have done the same thing. I simply denied on SOTI the piece of news that was taken from A.M. PRESS. As far as the statement itself is concerned, there are not many things to say because I was not present in Jiu Valley the entire time. I give you the opportunity to continue your pressure, so to speak! I was not physically present.

[Avramescu] Still, you were there in Jiu Valley several times. Even physically....

[Boda] I will tell you how often. I was there three times altogether.

[Avramescu] We have learned that you were there five times.

[Boda] I have been there three times in my life, and I can tell you exactly when. The first was at the end of September and the beginning of October 1990...

[Avramescu] Were you a presidential counselor then?

[Boda] Yes, I was already presidential counselor. In connection with my second trip, I can give you some material that I had drafted then, just five pages and annexes, that might help you understand the situation at that time, that is in September-October 1990, with the conclusions I drew...

[Avramescu] You went there with a certain mission, not privately or as a tourist....

[Boda] I have told you. Certainly, I did not go there privately. I was there three times, and each time I was sent by the president.

[Avramescu] Thus, Mr. Iliescu personally sent you to the Jiu Valley.

[Boda] Yes, I did not act on my own.

[Avramescu] If it is not a secret, what was the mission that the president gave you?

[Boda] Well, there was a tense situation in Jiu Valley as early as September-October 1990. There were several reasons: economic, social, and even cultural, if you wish. Certainly, it was not totally a recent development, but the result of a state of affairs going back before 1989. A government team was sent there, a team that, as usual, established certain things, left a report on the findings, and returned to Bucharest, without the slightest effect on the situation there.

[Avramescu] Thus, there was a lack of confidence in the government findings?

[Boda] Not necessarily. It was mainly an attempt to directly inform the president and concrete solutions to problems if possible. [passage omitted]

[Avramescu] According to you, what happened after the last incursion of the miners? Was the prime minister demoted or was his resignation accepted?

[Boda] We will clarify this issue. First, let me answer your first question, because I have not told you when I was in Jiu Valley. The first trip was in September-October 1990, the second on 30 September 1991, after the miners left Bucharest, and the third was in October 1991. Returning to your question whether it was a demotion or a resignation, I believe that it was an acceptance of a resignation because it was Petre Roman's idea to return his mandate. This is one question. The other issue is that, I believe the expression of returning a mandate is a euphemism. This was not a demotion, but a resignation.

[Avramescu] Mr. Boda, you are heading the president's information service, which, according to certain indications, is a sort of presidential SRI [Romanian Intelligence Service] that completes possible shortcomings in Mr. Magureanu's work. According to certain information that I would like to discuss with you now, you have several generals working for you who do not exactly deal with elegant issues. For example, they are supervising certain generals in the Ministry of the Interior and even Minister Babiuc, who are not quite trustworthy.

[Boda] It is a pity that your printed page cannot reproduce the smiles which respond to such questions. I believe that it would be hilarious to have another intelligence service for the president, with five or six institutions already in charge of this activity.

[Avramescu] Could you name these institutions?

[Boda] Well, there is the SRI, the SIE [Foreign Information Service], there is a department in charge of such things within the Interior Ministry, a similar department within the Army, and there is the Special Guard and Protection Unit which does not have an independent department but, by law, is in charge of collecting information with a view to ensuring the safety of dignitaries. Thus, I find an additional department superfluous. As far as the issue of listening to Mr. Babiuc's telephone conversations is concerned, I believe that he is listening to my conversations. That is why I even changed my telephone number last week ... Now, about what is going on in Cotroceni. There is an Information and Documentation Directorate, and I am the director of it, but here we are talking about public, open information, namely newspapers, books, radio, and television. Any institution is carrying out a daily survey. At 9 o'clock or half past nine in the morning, a news summary, which comes from radio sources, I mean everything that we can possibly get, is placed on the president's desk. There is the Radio Monitoring Unit doing something similar, but those news items arrive late and the president does not have time to read hundreds of pages.

[Avramescu] You are not exactly a public service! If you were a public service, the information that you get or the press review that you compile would be for the people as well and you would be considered part of the press. But you work on a single special informational survey for one person only, namely President Iliescu. Please, tell me, in this bulletin do you also include the accusations carried by the mass media against the president? Perhaps he really does have no time to read and does not know to what extent he is being criticized, and we are waiting in vain for a reaction to our items.

[Boda] We do not protect the president from critical articles. On the contrary, if we did that, it would be a great disadvantage for him in carrying out his duties.

[Avramescu] Could we say that you, Counselor Bota, are one of the president's yes men? We have been told that the president is surrounded by several sycophants who protect him from every unpleasantness.

[Bota] I suppose there are such people, like everywhere else. I would be very disappointed in myself if I were such a person, however. My own nature prevents me from acting like that. [passage omitted]

Evacuation of Marshal Tito Barracks Begins

AU0506111792 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1042 GMT 5 Jun 92

[Text] As BH PRESS [Bosnia-Hercegovina Press Agency] reports, the evacuation of the Marshal Tito Barracks has begun. As we have learned from our sources, the evacuation of the Marshal Tito Barracks has just begun in the Novo Sarajevo district. The column headed by one vehicle each of the Ministry of Internal Affairs of Bosnia-Hercegovina and UNPROFOR [UN Protection Force], as well as an army vehicle [kampanjola], has set off along Vojvoda Putnik Street in the direction of Dolac Malta. The column contains eight military buses, 18 trucks, and about 30 personal automobiles. There is one more Army vehicle at the end of this first column.

As we report, the second column of four buses, 21 military trucks, and 23 personal automobiles has just left the barracks.

Two UNPROFOR transporters that escorted the other column out of the barracks have returned to the barracks.

Withdrawal Termed 'Peaceful'

LD0506111692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1056 GMT 5 Jun 92

[Text] Sarajevo, 5 Jun (TANJUG)—The evacuation of the Marshal Tito barracks started today at around 1200, a TANJUG correspondent reports.

The evacuation is under way in accordance with an agreement reached between Bosnia-Hercegovina authorities and the Army. Several trucks, buses, and other military vehicles with personnel have left the barracks for Lukavica.

UN Protection Force units and members of the Bosnia-Hercegovina Ministry of Internal Affairs are escorting the convoy. The evacuation is peaceful at this moment, just after 1200.

A general alert was sounded in Sarajevo at 1000, and citizens were advised to go to shelters and cellars. The general alert is still in force.

Kljujic Says New Government Within 48 Hours

LD0406161292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1451 GMT 4 Jun 92

[Text] Sarajevo, 4 Jun (TANJUG)—Bosnia-Hercegovina will have a new government within the next 48 hours at the latest, Stjepan Kljujic, member of the rump republican Presidency, announced in Sarajevo's international press center today.

He was unable to give any details about who was going to be the new prime minister, or in what way some of the posts at the ministries would be filled.

Prime Minister designate Jure Pelivan said here recently that he is only waiting for the republican presidency to be elected to announce the names of candidates for ministers, and that, failing this, he would have resigned from this office by last week.

By today the list of members of the new Bosnia-Hercegovina Government has not been released, nor has Jure Pelivan resigned.

Silajdzic Urges Intervention Against Serbia

LD0406225292 Belgrade TANJUG in English 2155 GMT 4 Jun 92

[Text] Paris, June 4 (TANJUG)—Bosnia-Hercegovina Foreign Minister Haris Silajdzic on Thursday [4 June] called on the West to launch a military intervention against Serbia and Montenegro.

Following talks with French Foreign Minister Roland Dumas, Silajdzic told journalists that the sanctions which the U.N. Security Council imposed last Saturday [30 June] against the two ex-Yugoslav republics which decided to secure the continuity of the federal state, represent a "long-term solution."

"I cannot understand that the civilized world is not taking any steps against the regime in Serbia," he said and added that this regime and President Slobodan Milosevic "have to go."

The Security Council slapped sweeping sanctions against Serbia and Montenegro saying that they are solely to blame for the two-month fierce inter-ethnic fighting in Bosnia.

Bosnia, is populated by Serbs (31 percent), Croats (17 percent) and Muslims (44 percent).

There are no more Serbs in Bosnia's organs of power.

Resolution 757, which introduces the sanctions, mentions that Croatian troops are also fighting in Bosnia, but this former Yugoslav Republic has not [been] punished for this.

A report by Secretary-General Butros Ghali, revealed on Tuesday [2 June], two days after the adoption of Resolution 757, blames all three sides in Bosnia for the war.

Croatian Paramilitary Units Seizing Weapons

LD0406133192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1212 GMT 4 Jun 92

[Text] Banja Luka, 4 Jun (TANJUG)—The military part of the "Bratstvo" factory in Novi Travnik has been looted of $8 million worth of finished weapons and $2 million of spare parts and other military equipment for the needs of Croatian national paramilitary forces in Bosnia-Hercegovina.

Croatian paramilitary forces seized three Orkan rocket launchers with 12 barrels, four Oganj rocket launchers,

six 152-mm howitzers, 18 122-mm howitzers, 12 105-mm howitzers, 30 82-mm recoilless rifles, and 30 double-barreled, 23-mm airplane guns capable of firing 3,600 bullets per minute. Also seized were 20 125-mm tank guns, 86 120-mm mortars, 100 each 80-mm, 60-mm, and 44-mm mortars, and large quantities of spare parts for these weapons.

According to the Banja Luka daily "GLAS," after this looting by the HOS [paramilitary wing of the Croatian Party of Rights], the production process has continued, an indication that "they are getting ready for war; it should be known that Bratstvo can annually produce 1000 122-mm howitzers and more than 10,000 mortars without stretching its capacities."

According to the same source, the production process for the military part of Bratstvo is the same as during peace time, as important parts and materials are delivered from Croatia and Slovenia via Hercegovina by the Prozor-Gornji Vakuf-Novi Travnik road. Gun undercarriages and gun barrels are produced at the Ravne [Slovenia] and Zenica ironworks while the ironworks at Sisak [Croatia] produce mortar barrels. The electronic components from the Banja Luka Cajavec company have been replaced by products from Iskra in Kranj [Slovenia], while sights are still being supplied by Sarajevo's Zrak company. Rocket, mortar, and gun ammunition is supplied by Pretis from Vogosca.

When one adds to this list all kinds of antiarmor and infantry mines, hand grenades, and grenade detonators from the Slavko Rodic factory in Bugojno, then it is clear why did the Croatian Government sent numerous units from the HOS, National Guard Corps, and the so-called Croatian Defense Council into this area, GLAS states.

Forces Said Trying To Draw Russians Into Crisis

LD0406210192 Belgrade TANJUG in English 1951 GMT 4 Jun 92

[Text] Erdut, May 4 (TANJUG)—Minorities of the Serb region of Slavonia, Baranja and West Srem warned on Thursday [4 June] that the armed formations of the former Yugoslav Republic of Croatia were attacking Serb positions in Eastern Slavonia with a view to drawing into the conflict the Russian contingent to the U.N. Protection Force (UNPROFOR) stationed in the area.

The Croatian scenario is clear—the attacks should ultimately force the UNPROFOR command to order the withdrawal of the Russian troops and their replacement by blue helmets contingents from other countries, said the Erdut-based press centre of this Serb region.

In substantiation, the press centre quoted the fact that the Serb positions in Baranja had not been attacked recently because they were being protected by peacekeepers from Luxembourg and Belgium.

The region of Slavonia, Banja and West Srem is one of the three United Nations Protected Areas (UNPAS) which make up the republic of Serb Krajina (RSK).

The RSK has been formed within Croatia's administrative boundaries but, under the U.N. peace plan, Croatian laws do not apply.

Croatian leaders have lately on several occasions threatened to regain sovereignty of the RSK by force, unless UNPROFOR should restore it to them.

The RSK has been proclaimed by Serbs in the territories where they constitute the majority population, refusing to countenance Croatia's secession from Yugoslavia and the consequent restriction of their rights by the new Croatian authorities.

The press centre of the Serb region of Slavonia, Baranja and West Srem said that Croatian Armed formations had on Wednesday [3 June] again attacked frontline Serb villages in Eastern Slavonia.

One group of attackers on Wednesday approached Serb villages of Tordinci and Ostrvo, on the Vinkovci-Osijek road, opening fire from infantry arms. The attack has been reported to UNPROFOR.

The U.N. peacekeepers took responsibility for the developments in the Serb region of Slavonia, Baranja and West Srem a week ago, the press centre said.

In the evening of the same day the statement went on to say Croatian forces positioned in an Osijek suburb attacked the village of Sarvas and came to only within 100 metres of the positions held by the Serb militia.

Tudjman's 'Unfulfilled' Promises Deplored

92BA0957A Split SLOBODNA DALMACIJA in Serbo-Croatian 21 May 92 p 10

[Josip Smidt article: "All the President's Promises"]

[Text] No one, not even the president of the republic, can be expected to be a prophet. Nevertheless, various announcements and promises by the president, regardless of their freedom from prophetic prediction, have much more significance and weight than when they come from the mouths of ordinary, poorly informed people, especially with respect to the republic's strategic issues.

Unfortunately for all of us, and President Tudjman himself, many of his "prophecies" have been invented, based more on desires than on real circumstances and possibilities. We do not know how much this has been influenced by "all the president's men," but the fact remains that certain announcements and promises either have not been fulfilled at all, or have been fulfilled after considerable delays.

We do not intend to analyze all the statements by Dr. Franjo Tudjman since the beginning of the creation of the pluralist political scene in Croatia—for example, his speech on 28 February 1989 at the forum of the Croatian Writers' Society. At that time he said, among other things, that we needed a democratic community that would be above and beyond ideological orientations, but we know how little that orientation is applicable today—not to mention Mr. Tudjman's speech at the first HDZ [Croatian Democratic Community] congress at the beginning of 1990, in which he emphasized the Croatian people's right to self-determination in its natural and historical borders, whereas now that area has been reduced so much that Croatia's natural and historical borders are quite remote from the real situation.

Announcements of Peace

Much more significant to us at this time are the promises made in recent months, during this merciless war. Thus, on 30 November 1991, speaking to young policemen on the occasion of the presentation of the new Croatian police uniforms, he announced, among other things, that international recognition of Croatia could be expected by Christmas, and thus perhaps even in mid-December. We know, however, that that recognition only began after 15 January 1992.

That shift in the schedule for international recognition of the new state would not be that significant if President Tudjman, by announcing the recognition of Croatia, had not announced all sorts of other things as well. Thus, back on 2 December 1991, at a press conference, he said that recognition would "prevent further aggression by the Serbian army and the forces associated with it." He added authoritatively, "If the aggression against Croatia continues even after that, the Serbian and Montenegrin aggressors will not only be at war with Croatia, but also with Europe and the whole world."

More than five months have gone by since that statement by the president. In the meantime, the Republic of Croatia has been recognized by a large number of countries in the world, but obviously that recognition did not prevent further aggression by the Serbian army, as Mr. Tudjman had announced. In fact, the aggression flared up even more, it also spread to neighboring Bosnia-Hercegovina, many more lives have been lost, and enormous material damage has been done. Even less is left of the president's statement that by continuing the aggression, Serbia and Montenegro would be at war "with Europe and the entire world."

Many of Dr. Franjo Tudjman's promises in connection with the arrival of the international peacekeeping forces also turned out to be incorrect. After stating on 29 December at a session of the Assembly that he considered the involvement of international peacekeeping forces under the auspices of the UN or the EC as soon as possible to be essential, the president of the republic, at a press conference held on 6 January 1992, announced that the arrival of the peacekeeping forces could be expected by 15 January. He was off by "only" three months: The "blue helmets" only started to arrive in April.

When the "JA" [Yugoslav Army] Leaves

With the arrival of the peacekeeping forces, all sorts of things were supposed to change, according to President Tudjman's persistent promises. Back on 2 December, at the above-mentioned press conference, he stated categorically that the "JA" would have to leave the territory of all of Croatia, and that the UN forces would enter in parallel to replace it. On that occasion, he also said that with the arrival of the peacekeeping forces, "Croatia was on the threshold of achieving peace, and not a bigger war." At the press conference held on 6 January 1992, he specified: "All police and armed forces that were created under the auspices of the 'JA,' and thus Martic's as well, have to leave Croatian territory or be disarmed, and afterwards our own police forces will be created in accordance with the constitutional order of the Republic of Croatia and the Law on Minorities." On the same occasion, in response to a question about the length of the process of establishing Croatian sovereignty in the crisis areas, the president categorically answered, "It is a question of days and weeks, and not a long period by any means." He repeated his old claim that the "JA" would leave with the arrival of the peacekeeping forces, and that the legal order would then be restored immediately. He also repeated that claim of his in answering a question about whether, with the arrival of the UN forces and the departure of the "JA" from Croatia, all the armed forces would immediately appear from Beli Manastir at the same time. "No! First of all the 'JA' tank troops and the renegade authorities and all the armed forces have to leave there," Mr. Tudjman asserted.

Several months have already gone by since that statement. In the meantime, most of the peacekeeping forces have arrived, but in the occupied areas, including Baranja, not only is Croatian authority not being restored and the Cetnik and other aggressor formations not being disarmed, but intensified attacks are being made against Osijek, Vinkovci, Valpovstina, Karlovac, Zadar, Sibenik.... Towns that previously lived in relative peace are also beginning to suffer: Slavonski Brod, Imotski, Metkovic, Opuzen... and Croatian soldiers, in contrast to the previous period, are not even supposed to respond to those attacks.

Instead of disarming the aggressor forces, the UNPROFOR forces are socializing with them: Why not, when they can see how their superiors, including even Marrack Goulding, are cordially shaking hands with the criminal leaders?

Postponed Sovereignty

Nothing has come yet of the president's announcement of the rapid establishment of Croatian sovereignty in the crisis areas. In fact, the Croatian authorities are making more and more concessions (under pressure from the EC?), and are establishing by law special Serbian Cetnik districts in those areas—not to mention other forms of concessions.

In his message before Christmas, the president announced that Croatia would request that an international commission investigate war crimes committed in this war against Croatia. So far nothing has come of that commission either, or of the investigation of war crimes, just as nothing has come of the president's statement in front of the assembled young policemen that there could not and should not be uniformed and armed party formations in Croatia: Paraga's armed Croatian Armed Forces troops are strolling through Zagreb without interference.

Franjo Tudjman's statement on several occasions that the war in Croatia is over and that a great victory has been won has not only caused the sad smiles of hundreds of thousands of refugees and the anger of many citizens around whom bombs and grenades are exploding every day, but has also given an opportunity to the Croatian opposition parties to portray the president of the republic as a person who makes use of falsehoods. HNS [Croatian People's Party] Secretary Ivica Vrkic said that such an assessment by the president could cause suspicion of all his future statements as well, and at a meeting of the coordinating group of opposition parties, he also pointed out the danger that Tudjman's statement about a victory and the end of the war could be understood by friendly countries in the world as a hint that Croatia no longer needed assistance.

At the End of the War?

It remains to be seen what will come of President Tudjman's repeated promise that if nothing else, Croatia will establish authority and sovereignty in its entire territory by fighting. He said this in his message before Christmas, he repeated it in interviews by journalists, and in the middle of February he stated in an interview

for the Austrian DER STANDARD: "If the Yugoslav army and the armed Cetnik groups do not withdraw after the arrival of the blue helmets, and the Cetniks are not disarmed, it is clear that Croatia will not have any choice but to use all available means to liberate the occupied territories and establish the legal order of the Croatian state—in the spirit of the EC's provision that borders must not be changed by force."

Won't that just be one more jewel in the necklace of the president's promises?

Serbia's 'Delaying Tactics' Criticized

AU0506104592 Zagreb VECERNJI LIST in Serbo-Croatian 25 May 92 p 2

[Branko Tudjen commentary: "Anxiety—The Greatest Enemy"]

[Text] Croatia and two other republics of the former Yugoslavia were admitted into the UN several months earlier than even the greatest of optimists could have expected. Washington's involvement in the solution to the crisis expedited the procedure. This will accelerate some vital processes, but since the regime on the other side is up to its neck in crime, there is little hope that it will abandon its war objectives overnight. Since by the standards of the endangered, the mechanisms of the international community are slow—although with a logic of their own in punishing the aggressor—Croatia's greatest enemies in the coming months, apart from those who want greater Serbia, will be its own anxiety and impatience.

So the world goes gradually—too much so for Croatia, Bosnia-Hercegovina, Macedonia, and Slovenia. While Serbia is delaying, lying, and cheating, banking that it can avoid being denied the right to inherit Yugoslavia, and is thus creating anxiety in the Croatian ranks.

What can Serbia objectively do, and what can the world do? Milosevic's authority does not have too much room for maneuvering. There are two general possibilities open to it: It can either move into a new military offensive against Croatia, in which it would have the support of the fanaticized Serbs, or delay the execution of Vance's plan and provoke the Croats. If they do the former, they will only accelerate international response, all the way to military intervention. That is why the latter is more likely. They will think up an excuse for not pulling out of the Dubrovnik area, for example, or east Slavonija and Baranja. And when the international community issues some serious threats, they will make a little positive step. And so on forever. Until Knin is reached, they have plenty of time and opportunities, they hope. With such snail-pace outwitting, Belgrade is hoping to blunt the edge of international pressure and force Croatia into internal conflict over further moves, in the hope that she will nervously take a wrong step. Meanwhile, according to the Serbian press, Milosevic will try to push forward Dobrica Cosic as president of the self-proclaimed Yugoslavia in an attempt to formally remove his own imprint from the government, and give it a new legitimacy. Ostensibly, a Serbian version of Havel would come to power, just like it happened in Czechoslovakia. But the question is whether he can get away with it, since everyone knows that Cosic is Milosevic's spiritual father. And there is no influential political force in Serbia that does not want a greater Serbian.

If the world, particularly the United States, does not fall for that, then Serbia and Montenegro can say goodbye to Yugoslavia. The long-term consequences are huge. In the short term, Serbia is trying to avoid Western military intervention. By delaying the Army's withdrawal and accepting the delayed withdrawal, it is hoping to salvage something. Serbia is like a sick man suffering from an incurable disease. It is important to survive just a few months longer, and, who knows, a miracle just might happen.

The world can do a lot. It can tame Serbia very quickly, but there is this democratic logic that is unacceptable to many. But it is as it is, and one should adjust to it, and always keep it in mind. In other words, one should have the political skill to combine that logic with one's own aims. Croatia's policies have so far been very successful at that.

Apart from Serbian delaying tactics and trickery, which will export impatience and anxiety, Croatia will face its own sources of such a spiritual state. One should not doubt that there are elements in Croatia who have not been overwhelmed with joy at the historic occasion of Croatia's admission into the UN. On the one hand, there is the traditional Croatian vanity: How angry they were that it was not them, the followers of Croatian statehood from journalism upward, instead of Tudjman who had the honor of uttering the first words from the rostrum of an international organization. On the other hand, there are those who are nostalgic for old Yugoslavia, unitarians and their media followers, mostly children of former officers, who, under the guise of fighting for democracy, cannot forgive Tudjman for breaking up Yugoslavia and crossing the UN's doorstep. The vain and the nostalgic, although they cannot stand each other, will unite in causing anxiety, unrest, and impatience in the citizens and refugees. The former will claim that too much attention is being paid to what the Western world, which forces too many concessions, thinks and the latter will use their tired old demagoguery: On the one side, independence, on the other, sacrifices. Their message is that given the choice between a Croatian state and the sacrifices, statehood should have been abandoned in favor of Milosevic's Yugoslavia.

Croatia's admission into the UN, which ended the struggle for international recognition, brought one period to a close. A new situation has been created in which it is in Croatia's interests to do nothing that could detract international action from aggressive Serbia. Belgrade's trump card will be to create impatience, irritation, and anxiety in Croatia and to provoke it into

making a wrong move. The public at large has to understand that nothing will happen overnight, so it should not allow itself to be provoked.

Commentator Warns Crimes in Sarajevo Must End

AU0506110592 Zagreb NOVI VJESNIK in Serbo-Croatian 28 May 92 p 2

[Radovan Stipetic commentary: "Horror in Sarajevo"]

[Text] There is horror again in the streets of Sarajevo. After massacres throughout Bosnia-Hercegovina in which people died only because they were Muslims or Croats, now the shelling of a maternity hospital and people lining up for bread only confirm the old truth: Once crime gets started, there is no end to it. Among the dozens killed and wounded in Sarajevo, there were not only Muslims and Croats, but Serbs, too. The chetnik criminals who shot at random from the surrounding hills were not interested in the nationality of their victims.

It is hard to say this, but the absurdity of that crime in Sarajevo will hopefully contribute to the discernment of what can still be done to bring about a truce and what would be a useless, even dangerous illusion. Those simple-minded people who until recently preached that "sanity and patience" (two virtues that Croatia allegedly lacked after the greater Serbian aggression) could solve all the disputes in Bosnia-Hercegovina, must have finally realized that neither sanity nor patience are arguments against criminals who have never had any sanity and who now—faced with imminent defeat— have lost their patience, too. The Muslim leader, Izetbegovic [president of the Bosnia-Hercegovina Presidency], who had long been burdened by the traditional Muslim policies of hesitation and evasion, finally had to ask the UN Security Council for military intervention and also make the decision to abandon negotiations with criminals.

Alija Izetbegovic's former fallacies were supported by very similar fallacies of the western powers who, for their own peace of mind and to wash their hands of any moral responsibility, kept calling the Bosnia-Hercegovina warring sides to "negotiations," even when they knew that the negotiations would lead nowhere.

The latest victim of the negotiation-fallacy syndrome was Russian Foreign Minister Kozyrev, to whom the criminals promised a ceasefire in Sarajevo and the lifting of the airport blockade, only to step back on their promise the minute Kozyrev left.

Horror is spreading throughout Bosnia-Hercegovina, and nobody is entitled to have illusions any longer. The Muslim leaders have no right to the deception of "one unitary Bosnia-Hercegovina", the Croatian representatives have no right to petty calculations, and the Western community should no longer disgrace itself with feigned impotence. The crime is spreading. If it is not stopped now, who knows when and how it will end.

General's Resignation on Moral Grounds Viewed

AU0206161592 Zagreb VECERNJI LIST in Serbo-Croatian 22 May 92 p 11

[Milovan Nedeljkov commentary: "Moral or Ministerial Chair"]

[Text] The man whom many could already see in the chair of minister in charge of the newest Yugoslavian Army, Major-General Vuk Obradovic, suddenly on 20 May delivered his appeal to be discharged from active military service to the so-called presidency of the Federal Republic of Yugoslavia [FRY]. It came as a shock to many, and the youngest general of the so-called Yugoslav army explained his decision on moral grounds. He had promised the parents of those soldiers in the barracks in Bosnia-Hercegovina that he would resign from the Army if all young men, citizens of the FRY, were not returned to Serbia by 19 May.

"I have done everything in my power to realize the decision of the presidency," General Obradovic wrote in his resignation. "Unfortunately, there are several reasons why it could not be done, and I wish to pay my moral debt to the parents of the soldiers by asking to be discharged from active military service."

This act by General Obradovic has put a stop to some assumptions and calculations regarding events in the "FRY" army. According to many estimates, there are at least three opposing factions in the Army. The first and strongest one consists of diehard Milosevic supporters, and it is led by Obradovic himself. The second one is greater in number but not so influential and consists of lower and middle officers' staff who support the democratic opposition. And the third group consists of professionals of various backgrounds and ranks who are not in the least interested in politics and political games. Unfortunately, that faction is the weakest.

The supporters of the theory of three factions were rather surprised to hear General Obradovic's wish to be discharged from active military service. Already, only a day after his resignation, there are new "theories" emerging. One should not forget that there is talk in the FRY that the new minister in charge of the Army should be a civilian, not an Army person. In that context, Branko Kostic's name was often heard. However, one should keep in mind that one of the most deserving and capable Serbian generals, Vuk Obradovic, is now a civilian. Besides, and this stands for a lot in Serbia and Montenegro, he is now also crowned with the aura of "honesty and honor" by the parents of the soldiers. In a public letter to Obradovic, these parents have stated that with this act Obradovic has proved "that he is an honest man. For the first time in this country a man resigns because of something he could not do. That is why we are proud of you, and may you be an example to others."

Because of all this, one can ask: Is General Obradovic's act based only on moral grounds, or is there something else behind it?

Slovenian Trade Accord Ratification Postponed

AU0406163992 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 4 June 92

[Excerpt] The Croatian Assembly today removed the ratification of the economic agreement with Slovenia from its agenda for the second time in a row. It is interesting to note the absence of any official explanation for such a behavior. Only at the explicit demand by one of the deputies did Jurica Pavelic, vice president of the Croatian Government, briefly explain that although the proposal of the economic agreement between Slovenia and Croatia was drawn according to EUROPEAN FREE TRADE ASSOCIATION principles the mutual trade was even before the war to Slovenia's advantage and Croatia, therefore, had $400 to $500 million trade deficit annually. [passage omitted]

Refugees From Bosnia Number Over 60,000

LD0306224692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1254 GMT 3 Jun 92

[Excerpt] Over 60,000 refugees from Bosnia-Hercegovina are currently in Slovenia. About 45,000 have found accomodations with relatives and friends and the remainder are located in 59 refugee camps situated mainly in former Yugoslav People's Army barracks. [passage omitted]

Defense Minister Jansa Discusses Bosnian Conflict

92BA0946A Ljubljana DELO in Slovene 16 May 92 p 21

[Interview with Slovene Defense Minister Janez Jansa by Janko Lorenci; place and date not given: "Serbian Soccer With Blue Helmets"—first paragraph is DELO introduction]

[Text] Slovene Defense Minister Janez Jansa comments on the war in Bosnia-Hercegovina, the altered method of warfare by the former Yugoslav army in that republic, Serbia's new military doctrine, and what the replacements in the JNA [Yugoslav People's Army] leadership mean.

[Lorenci] Although the battles in Bosnia have already been going on for a long time, there is still a great deal of discussion about the nature of the conflicts there. The question is even asked whether it is a war at all.

[Jansa] It is true that some people, in their assessments, have denied that a war is going on in Bosnia. Various theses appeared that it was a case of terrorism, state terrorism, etc. It is more a question of terminology than content, however. The fact is that the consequences of the conflicts in Bosnia-Hercegovina, by their scope, are such that they cannot be caused by anything but a war. It is not just a question of terrorism or something that could be put in the category of peacetime or intermediate formulas, for instance, a danger of war. It is a classic military conflict. The military force is organized primarily on the aggressor's side, and improvised military formations exist on the defenders' side. The thesis that it is a war is also supported by the plans that the JNA made in preparing for this conflict. The operation in Kupres was a classic military operation, with the use of both ground forces and the air force.

[Lorenci] Among other things, it is also characteristic that the army, which has a large number of troops accumulated in Bosnia-Hercegovina, has not used all of those forces, just as in Croatia....

[Jansa] One should view that matter much more realistically. According to certain data, the JNA—former, present, or I don't know what that army is even like today—which is supporting the Serbian aspirations in Bosnia-Hercegovina controls almost 60 percent of the territory of Bosnia-Hercegovina. What can be understood from our information, and also from the media, indicates that the army has taken its experiences from Slovenia and Croatia quite seriously. It is no longer making such drastic mistakes as it did here, and partly in Croatia as well. Before the conflicts, it abandoned the garrisons in the cities. It changed the tactics of the using of armored units, and it is using the air force only in accordance with proven tactics, i.e., at the request of ground units. It has simplified command procedures and eliminated unnecessary intermediate steps, which existed in Slovenia, for instance. It has strengthened the activity of electronic reconnaissance, interception of the enemy's radio communications, and discipline, changed its communications systems, etc. It is true that in Bosnia the army chose the time of the conflict, and was thus also able to withdraw most of the units from the cities in time and deploy them to mountain passes and the more important transportation points around the major cities. Thus, on one hand, it blocked communications, and on the other hand it essentially encircled all the major settlements.

[Lorenci] In Bosnia-Hercegovina, as you say, the army itself was able to choose the moment when it would launch the beginning of the conflicts. On the other hand, it had already been more or less clear for a long time that war would break out in Bosnia sooner or later. The Croats and Muslims apparently did not even count on that possibility, as one could conclude from their lack of preparation, militarily and otherwise. Is this impression wrong?

[Jansa] It is the correct thesis. That is also the key difference and the reason for that kind of result, viewed in comparison with the war in Slovenia and in Croatia. Slovenia did a great deal in the political area—I think that it even did the most of all three—to avoid a conflict. It should be acknowledged that objectively, it had the best opportunity because of its national homogeneity and undisputed borders. The people who made strategic decisions in Croatia (especially the president) just lived in the belief that the JNA aggression would not happen and that the army would never provide 100-percent support to the rebel Serbian groups in the Krajinas that had already been formed at that time. In Bosnia, that hope was even more pronounced. For a long time Izetbegovic claimed that if interethnic conflicts occurred in Bosnia, he would call upon the Yugoslav army for help. He said several times that it was the only army that he had. And almost up until today, the aggressor has not been publicly condemned or named. The Bosnian Presidency only managed to do it a week ago, and the wording is still very cautious—even though the scale of the aggression in Bosnia-Hercegovina is substantially greater than the scale in Croatia, not to mention Slovenia.

[Lorenci] Is it really substantially greater?

[Jansa] Yes, in view of the simultaneous intensity of the conflicts in many areas at once!

[Lorenci] Then this is the biggest military operation that the army has launched so far?

[Jansa] Certainly, in terms of the number of JNA forces involved. The question, however, is how large all the cooperating armed formations are, since in the last phase of the war, Croatia had almost 200,000 people under arms. If the side that is defending itself in Bosnia had the ability to buy weapons, then it would also be the biggest conflict in terms of the number of armed people on both sides.

[Lorenci] In general, then, we can say that in view of how things are developing militarily, Serbia is achieving its military and territorial goals (if we take the situation as it is in Bosnia now, and what it has achieved in Croatia). The territories that it considers its own are more or less conquered, and in those territories it is also achieving something that it very important to it in the long term, i.e., ethnically purifying those territories.

[Jansa] That is true. We have kept pointing that out all the way through. Serbia, by military means, has at least partly achieved its goals in Croatia, and obviously it will in Bosnia as well. One of the first goals, both in Croatia and in Bosnia-Hercegovina, was the ethnic purification of the territory. It has succeeded in that everywhere to a great extent. It has used methods that are historically comparable to Hitler in World War II, i.e., in the battles the main brunt was borne here by regular JNA units, and there by the Wehrmacht. Next the SS forces arrived there, and here, the Cetnik units of Seselj and Arkan, and the territorial forces of the Serbian Krajinas, which carried out terror against the civilian population.

[Lorenci] Then there are solutions that can freeze the present situation for a long time, especially since the blue helmets will also cover it and help to freeze it.

[Jansa] The blue helmets in the occupied territories in Croatia were planned. Serbia deliberately prepared for their arrival. They have been well received, they were offered the best barracks in Belgrade, they play soccer games with them, etc. In the latest NARODNA ARMIJA, which is full of hysterical agitation against the Croats and Muslims, the latest lead article talks about the blue helmets—how they understand each other well, how they have protected the Serbian population, an interview with one of the unit commanders was published, etc.

[Lorenci] On the other hand, it seems that general skepticism about the appropriateness of the arrival of the blue helmets is growing in Croatia.

[Jansa] Of course. The ethnic purification of the occupied territories is still going on, i.e., the last Croats are emigrating, fleeing, or being driven out of those areas. On the other hand, Marrack Goulding, who was in Zagreb just now, has confirmed again that there will be local Serbian authority there in accordance with the agreement that was signed. Only the composition of the police units is supposed to be formed on the basis of the ethnic structure before the conflict. The big question, however, is whether they will succeed in this. That area is controlled by local armed forces, which were first renamed from JNA units to TO [territorial defense], and finally to so-called border police units. These units, of course, are stronger than the UN units.

[Lorenci] Franjo Tudjman has stated that the war in Croatia is over—although half of Croatia, essentially horrified, is laughing at him because of this.

[Jansa] Yes, it is cynical. In a way it is now true that most Croats are on territory that is actually under the control of the Croatian authorities.

[Lorenci] Internal dynamics, however, will not allow things to stay that way for a long time. We doubt that such a situation will remain cemented forever.

[Jansa] Of course not. It is a situation that leaves the door open for conflict. We know that in those areas not only local authority, but the parastatal authority of the Krajinas is also being hastily formed. A sort of state structure is emerging, people are migrating, and I have already talked about the military formations. That will not change, regardless of any sort of political agreement at a green table. Once the whole thing is quite clear, there will probably be an armed conflict again, sooner or later. Croatia will probably be the one that will be domestically forced to regain its territory by any means. I do not know what the prelude will be like, to be sure, but viewed as a whole, the situation is disturbing. In the long term, it should be said that some surprises are also lying in wait for Serbia as well. There are Sandzak, Kosovo, and partly also the domestic economic situation. These, of course, are only potential dangers. As far as Kosovo is concerned, Serbia, by establishing the new Yugoslavia and reorganizing the army, is preparing for an escalation of the problem, and it is doing so much more seriously than the Albanians.

[Lorenci] And how does it think it will resolve it?

[Jansa] That is associated with implementation of the new Serbian military doctrine. Since the beginning of the year, several people have been dealing with the so-called military doctrine of Serbia, of which the recent changes in the military leadership are also a result. The main points of the new doctrine are as follows: in view of the bad experiences with conscripts, the Serbian army is to be based primarily on professional personnel. We do not know how they will be able to afford this economically. This is probably an excessive reliance in one direction because of the bad experiences. They are also abandoning obsolete weapons, which according to the previous doctrine were still usable for people's defense. That is why those weapons are now being issued to the Serbs in Krajina and Bosnia. They are forming special units for rapid intervention in crisis areas, with the intention of preventing interethnic conflicts (with Kosovo and Sandzak in mind). Several such units are already deployed in Sandzak and Kosovo. They are devoting more attention to so-called patriotic education of the

men, which was previously neglected in the old JNA, where the emphasis was exclusively on political education. They are also dealing with the strategy of a forward defense, which is associated with the Serbian areas that are now organized in Krajinas—namely, they anticipate that there should not be any military conflicts on the territory of Serbia or the third Yugoslavia, and that the new state will also defend itself outside its own borders. There are also several other changes—I will call them "democratic," if we can talk about that in this situation—the subordination of the army to a civilian president, the office of a civilian defense minister, and to a great extent, the depoliticization of the army. These are the main points of the Serbian army's new doctrine, which has already begun to be implemented. Vuk Obradovic is considered to be the principal formulator of the new doctrine. In a way, through the position that he occupies, he was also responsible for preparing a large part of this doctrine. Lieutenant General Marko Neganovic and the chief of the security service, Major General Aleksandar Vasiljevic (who is personally well known to me from the Ljubljana trial) also participated. I must say that Obradovic, at least, is an officer who is also capable of thinking beyond the political limitations that were characteristic of Adzic and the entire generals' structure that has now been retired. Furthermore, they are not burdened by the Yugoslav idea, and instead have a clear Serbian national consciousness.

[Lorenci] Two major purges have thus occurred in the generals' leadership. What was the basic reason for the replacements, to the extent that they have even taken place, since some people say that those people are still in their positions. Was it a process of Serbianizing the army?

[Jansa] Well, that was also involved. Perhaps it was the main reason, and in view of everything that I have said it is even very likely. The last retirement or reorganization happened much more quickly than would have been normal in view of the circumstances. Serbia and Milosevic were forced into it because of the international situation, because of the pressure and the threats of isolation. They wanted to escape the criticisms, although it basically involved an internal conflict and a reorganization of the state and the army, and to establish in some way a structure that would really be completely loyal to Serbia and its president. The previous generals' structure could hardly have been said to be 100-percent loyal to Serbia, because it had a political ideology and its own interests, which were not always identical to Milosevic's. Many of the retired generals were not informed about what would happen. We have information that there has been a great deal of unrest in the barracks, since now the second phase of the purges is expected. First of all it was the turn of the generals' level, and now a purge of the lower-ranking officer corps is to be expected. To be sure, something has already been done, but the generals protected their staffs and personnel, whom they had spent several years assembling. A great deal of work is also awaiting Milosevic and the staff that carried out the reorganization, since these are not simple things, and also there are not suitable replacements for all the positions. The question is which alternatives they have picked for which of the individuals.

[Lorenci] So far, two major removals have been carried out; first of all it was Kadijevic's turn, and now the turn of Adzic and the others.... We could say that first of all they removed the most pro-Yugoslav and communist generals, and now they are removing those who are a little less so, but are still not Serbian enough in this sense, and that the "purge" will thus go on.

[Jansa] The first purge was probably not even the first purge, but rather had more to do with resignations, the departure of people who somehow agreed with their leaving.

[Lorenci] Do you think that Kadijevic himself resigned?

[Jansa] Kadijevic agreed with his leaving, and probably also Brovet and the entire structure that went at that time. For these people now, it could hardly be said that they agreed with their retirement, at least for several people whom I know (Raseta, Aksentijevic, Avramovic, etc.). They are people who gave up everything for their rank—family, home, the surroundings in which they lived for 40 years—and they probably did not expect that they would somehow have to compensate for all this in three months. They probably had different plans. This was a drastic dismissal, and for some of them, I do not doubt that it was agreed upon in advance. Otherwise there would have been worse friction. Pensions were obviously approved for them, security, etc. There was a trade for things involved in subsistence.

[Lorenci] Basically, then, Milosevic commanded the army more than it did him.

[Jansa] Yes. Milosevic had the state, and the army did not. If nothing else, the army was dependent upon the mint, and after Markovic's departure that was controlled by Milosevic.

[Lorenci] Consequently, the thesis that it involved some sort of colonels' coup, at least by those officers who participated in battles in Croatia and Bosnia and were dissatisfied with all sorts of mediocre decisions by the generals' leadership, is not true. An interesting document was published in NEDELJNA DALMACIJA that was sent by the head of the KOS [military counterintelligence service], Major General Vasiljevic, and the chief of the air force security service, to the SFRY Presidency, in which the two of them cite the generals' mistakes and essentially demand that steps be taken.

[Jansa] There had already been several such demands. The first internal frictions began as early as the third day of the war in Slovenia, when it became clear to some people that the army had disgraced itself. Then Adzic said in his speech on 5 July 1991, when he sent 150 officers to Slovenia, "Well, now those critics among you, who had so much to say about how some experienced

and honorable colleagues are incompetent, will be able to prove themselves." In short, that internal criticism had begun to function at that time, but the initiative or decision about when the reorganization would begin did not come from the colonels. Quite certainly not, since that cadre 100-percent loyal to Milosevic and Serbia was created by Milosevic! They worked with these people. Family ties between the Serbian leadership and certain generals were also involved, along with contacts with foreign countries, e.g., contacts with U.S. Ambassador Zimmermann. He could often be seen in informal meetings with Vuk Obradovic. In recent months there have also been some public statements that quite certainly would not have happened if they had not had political backing. Some major general (Vuk Obradovic) in the General Staff, in which there are 150 high-ranking officers, cannot make public statements without the approval of his superiors. He would have been replaced immediately the next day if he had criticized his superiors without political support. The balance took a long time to establish. Milosevic knew that he had strong enough support in the army to be able to carry out the replacement, and that is why he did it. It involved a very precise weighing of the balance of power, although in a great hurry.

[Lorenci] It was probably also a slightly risky intervention. After all, one of the generals could have been "frightened" a bit and attempted to carry out a coup in spite of this.

[Jansa] It was a classic replacement of the military leadership, at least judging by the fragments of information that we have. First of all, Milosevic and his collaborators ensured loyalty in the key units in Belgrade, the guard, the Belgrade defense command, the First Military Region, etc. In short, first of all you secure your immediate surroundings, then you extend your influence, and in the end Adzic is left, who no longer has enough loyal people around him, if he were to choose at random.

[Lorenci] Could this army that has crystallized with the removal of Adzic and similar people also be more radical with respect to demands in Bosnia and possible conflicts in Croatia?

[Jansa] In my opinion, it will be a structure that will be substantially less arbitrary than the one in the past. In short, it will have less political and also military maneuvering room. With respect to strategic decisions, it will be exclusively bound to the leadership of Serbia and the new Yugoslavia, whatever it is like. One cannot rule out the possibility that this new structure is only temporarily 100-percent loyal to Milosevic. The question, however, is when will it change? The new generals are more intelligent people, at least in my opinion. They will probably turn in the wind, and in fact, the new military structure will formally be depoliticized.

[Lorenci] This army, if it really is depoliticized soon, could also be dangerous to Milosevic. He will no longer be able to count on it as in the past, especially if there are serious upheavals in Serbia.

[Jansa] The changes, which still seem so formal at first glance (depoliticization, subordination to the civilian authorities, etc.) also have practical consequences, and Milosevic will perceive this. It will probably be like this: if he loses the elections, the army will be loyal to the new civilian authorities, even if it is Vuk Draskovic or anyone else. The bad side of these changes, if we look outward, is great effectiveness. Such a military formation will be substantially more effective than the former Yugoslav army, because it will not be burdened with ideology, it will be based on younger personnel, some of whom will already have combat experience, and it will be much more professional. After these reorganizations, Serbia and the new Yugoslavia, in terms of effective power, will be a great military force on the Balkan peninsula.

[Lorenci] We talked previously about Kosovo. Do you think that things might go so far that the Serbs would try to throw the Albanians across the border into Albania?

[Jansa] I think that it is practically impossible.

[Lorenci] The Serbs would essentially only be repeating what they have done and are still doing in Croatia and Bosnia. It seems that one can go awfully far that way.

[Jansa] Of course. Only Kosovo is formally in Serbia, and that could not be portrayed to anyone as involving the defense of Serbs.

[Lorenci] It is possible to provoke unrest and then declare it to be an uprising.

[Jansa] That cannot be ruled out, although I think that the present situation in Kosovo suits the Serbs. In the event of more determined demands by the Albanians, the situation may change.

[Lorenci] From the way that all the conflicts in Bosnia have been going, and in view of the extent to which Serbia has already achieved its goals, we could say that a ceasefire can be expected in Bosnia in the foreseeable future, since the Serbs will consolidate and establish control of "their" territory.

[Jansa] The situation in Bosnia has reached such a degree that Serbia could easily consent to the arrival of peacekeeping forces. Goulding's assessment that at this time it is not yet possible is the key thing, however, and Serbia is now exploiting the situation as it is and trying to achieve even more. It is in its interest to seize Sarajevo. If that is not possible, it will cut it in two, and link it with the other SAO's [Serbian autonomous regions] through the areas around the city. In that way it can establish control of most of Bosnia, and things are going in that direction. Serbia seizes some new territory every day.

[Lorenci] By the logic of things, we could expect the resistance to start to grow stronger as well.

[Jansa] Quite certainly. It is not just the Croatian and Muslims sides that are growing stronger, however. Instead of a Yugoslav army in which there were still some conscripts from Serbia and Montenegro who were not exactly prepared to fight, the Serbs on the territory of the Serbian opstinas in Bosnia have carried out a general mobilization, and are now replacing the conscripts with the local population, which is more motivated for combat. In addition to this, the JNA will leave them an enormous amount of military equipment, and thus the advantage will be on the Serbian side for some time to come. The experiences from Croatia indicate that even after an enormous number of people were armed with infantry weapons, they did not achieve substantial offensive successes, if we exclude western Slavonia. The problem is heavy weaponry with which you can break through the front.

[Lorenci] Why has Croatia never go so far in its offensive attempts as to carry its activity at least symbolically onto Serbian territory, for instance through sabotage?

[Jansa] There have been several such attempts, but nothing major, and even when those attempts were made they were more a consequence of decisions at the lower, tactical level, and not at the strategic level. Obviously, the view that this would not benefit Croatian policy has been adopted.

[Lorenci] Do you think that there is a possibility of any foreign intervention in Bosnia-Hercegovina?

[Jansa] Sudden foreign military intervention is not completely ruled out, although there is only a 1- or 2-percent possibility that it would actually happen. It would be a major precedent, and it would be impossible to cover such a decision with the established and internationally sanctioned mechanisms for resolving crises. In spite of this, I am not ruling out intervention, since especially after the meeting of the Conference on Security and Cooperation in Europe, a great degree of consensus has been demonstrated among the states in condemning the aggression. Except for Russia, all the states were in favor of severe sanctions, which are primarily political in nature. Intervention, however, will not happen without a corresponding decision by some international forum. If intervention were really threatened, Serbia would begin to withdraw and yield enough to prevent the intervention. It has already achieved so many of its goals that it can yield.

[Lorenci] In the worst case for Serbia, things will end with its keeping the occupied territories, which will be protected by the blue helmets.

[Jansa] In the worst case for it, the whole conflict will end with the result that has already been achieved in Croatia, except for the Lastovo and Vis islands and Dubrovnik.

With respect to the opstinas in Bosnia-Hercegovina with a majority Serbian population, no one in the international community will demand that the indigenous Serbs move out of those territories.

[Lorenci] In the long term, Croatia will be much more dangerous for Serbia than Bosnia, since Croatia will never reconcile itself to the loss of its territories.

[Jansa] Yes, because it is at a substantially higher level in terms of the degree of statehood. In terms of the degree of statehood, Bosnia is only at the very beginning. There is very little Muslim assistance. Certainly, there have been a few promises and threats recently, but there is no major material assistance to be seen, much less military assistance.

International

Presidency Issues Appeal to Yeltsin

LD0406201692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1447 GMT 4 Jun 92

[Text] Belgrade, 4 Jun (TANJUG)—We are transmitting the text of an appeal issued by the Yugoslav Assembly, Presidency, and Government to President Boris Yeltsin, the Russian Federation Supreme Soviet, and Government, which is as follows:

"At this dramatic and difficult moment, during which the Serbian and Montenegrin nations and the Federal Republic of Yugoslavia (FRY) are exposed to unjust accusations over an alleged aggression against Bosnia-Hercegovina, and to ruthless sanctions, through this appeal we are addressing you as the highest bodies of power of the brotherly Russian nation, with which we have deeply rooted ties of friendship and strong spiritual ties and cooperation.

"The latest Security Council resolution denies the glaring fact that in Bosnia-Hercegovina there is a classical case of civil war, in which at least three ethnic and religious communities are taking part, and the FRY is held responsible for the newly created situation.

"The authorities in Bosnia-Hercegovina bear most responsibility for tragic conflicts there, because they, in contravention of the republican constitution and without an internal political agreement about the life together of the three constituent national communities living there, undertook a series of measures and actions on the internal and international plane which caused the bloody interethnic war, with its tragic consequences.

"While the accusation that the FRY is the aggressor is based on assumed and suggested guilt, a blind eye is turned to a real invasion and aggression accompanied by a quiet annexation, mass killings, and expulsions of Serb people, which Croatia has been carrying out in northern Hercegovina and northern Bosnia.

"A report by the (UN) secretary general about the situation in Bosnia-Hercegovina, which clearly notes the presence of parts of the Croatian official army in Bosnia-Hercegovina, and which accuses Croatia of interference in Bosnia-Hercegovina, best confirms this.

"Not wishing to deny our share of responsibility for the crisis in Bosnia-Hercegovina, we want to assure you that the FRY is not and cannot be an aggressor under any criterion or definition, for the simple reason that it has not had a single soldier or FRY citizen in the area for the past 15 days, and because Serbia has not captured one square meter of Bosnia-Hercegovina's territory. If accusations of aggression are true, it cannot be explained why tens of thousands of Muslim families, even those whose male members are taking part in clashes against the Serb people in Bosnia-Hercegovina, are crossing into the FRY, where as refugees they are enjoying equal hospitality and treatment as Serb refugees.

"Not only that the FRY is not and cannot be an aggressor, but we could be a useful partner in efforts to immediately and unconditionally end the tragic and bloody fratricidal war in Bosnia-Hercegovina, and to resolve the internal Bosnian problems which led to its outbreak, by peaceful and political means. We recall that even before the war broke out, as well as ever since, we have constantly stated that we are against the division of Bosnia-Hercegovina, that we respect its territorial integrity and existing borders, that we respect the right to self-determination of the three constituent nations—Muslims, Croats, and Serbs—and that we are prepared to support a tripartite consensus reached at the (Lisbon) conference on Bosnia-Hercegovina on the future constitutional system in an independent Bosnia-Hercegovina. We have given assurances that we will prevent any military organization or action against Bosnia-Hercegovina from the FRY territories. To this end, we have renewed our calls to station UN observers on borders between the FRY and Bosnia-Hercegovina.

"We also recall that we constantly stressed and are stressing that the war is a disaster for all three constituent brotherly nations in Bosnia-Hercegovina, and that there can be no winners, only losers. As can be seen from the enclosed documents—our public statements and written letters to the UN secretary general and leading statesmen—we have been categorically demanding that all three warring parties immediately end all hostilities, and that the conference on Bosnia-Hercegovina resume work as soon as possible, and lasts until a tripartite agreement on all remaining outstanding issues is reached.

"In this context, we condemn all destruction of cities and settlements, especially large places such as Sarajevo and Mostar; we condemn all acts of violence against civilians, and all actions of the so-called ethnic cleansing and mass expulsions of civilians from their homes, irrespective of who is carrying this out. We are constantly urging the free, unhampered, and safe passage of humanitarian aid to starving citizens in Sarajevo and other threatened places in Bosnia-Hercegovina. We energetically condemn all actions that jeopardize convoys with food and other civilian necessities, and all cases of hijacking and plundering of convoys, irrespective of who is doing this. Due to an information blockade on the part of biased influential mass media, the fact has not reached the world that the FRY is constantly sending its convoys with humanitarian aid to all citizens of Sarajevo and other endangered places in Bosnia-Hercegovina, irrespective of the citizens' national affiliation.

"We are using to the maximum our political influence in order to persuade the leadership of the Serb people in Bosnia-Hercegovina to accept our approaches and to ensure that military units under their control are abiding by these stances and meeting these demands. We have done this on several occasions by sending public appeals,

that is, demands about which we have been regularly informing UN Secretary General Butrus Ghali.

"Regarding the military clashes in Sarajevo, we have supported a proposal of the Serb people's leadership that Sarajevo Airport be demilitarized and placed under UN control, along with the entire city area. With the aim of realizing this, we have publicly sharply condemned the continued bombing of Sarajevo as a senseless act by those not wanting peace. We have demanded that the Serb leadership in Bosnia-Hercegovina place all irregular Serb groups and individuals under control, and immediately set in motion the issue of their responsibility.

"With regard to the wider problem of uncontrolled activity by units of all three constituent nations and the possible implications for cease-fire agreements and the prospects for establishing peace, Serbian President Slobodan Milosevic has asked in a personal message to President Boris Yeltsin and President George Bush that Russia and the United States help in setting up a joint command over all armed formations in Bosnia-Hercegovina. Within the framework of such solutions, pragmatic solutions would be found to the problem of heavy weapons and the issue of the military industry which the Yugoslav People's Army left in Bosnia-Hercegovina.

"Bearing in mind the fact that the crisis in Bosnia-Hercegovina is just the most acute phase of a wider Yugoslav crisis caused by the unilateral secession of four Yugoslav republics, Vice President Branko Kostic has proposed in a special letter to UN Secretary General Butrus Ghali that an international conference on Yugoslavia—which apart from Yugoslav representatives would be attended by representatives of all permanent members of the Security Council, a representative of the UN secretary general, Lord Carrington in his capacity as chairman of the conference on Yugoslavia, a representative of the EC chairman, and a representative of the CSCE Chairman—be held soon.

"Noting that the Yugoslav Presidency has a firm commitment to make a real contribution to returning peace in Bosnia-Hercegovina, yesterday we publicly called on the Serb leadership in Bosnia- Hercegovina to immediately invite UN Protection Force [UNPROFOR] representatives to take over control of Sarajevo Airport, and to prevent any bombardment of Sarajevo from territories under its control, to ask for UNPROFOR observers to come to its units in order to monitor the observance of the cease-fire, and to ensure and give assurance of the unhampered and safe passage of humanitarian aid through territories under its control. At the same time, the leadership voiced the expectation that the international community will simultaneously lean on the Muslim and Croatian side to act in a similar fashion, and that the international community will contribute toward the cessation of hostilities.

"Having informed you about our stances and real steps on and contributions toward the process of overcoming the current serious, complex, and dangerous situation created by the escalation of the civil war in Bosnia-Hercegovina, and the escalation of monstrous accusations against the FRY to the effect that it is an aggressor, we are voicing the most sincere hopes and expectations of the widest Yugoslav public that Russia and its brotherly people will fully express the needed understanding and solidarity with the Serbian and Montenegrin nations at this dramatic moment, and that they will again follow the most valuable examples from the history of our specific friendship and mutual assistance. Your active involvement and consistent efforts to find a political way out of the current situation would be exceptionally useful, and would be met with the sympathy and support of the entire Serbian and Montenegrin nations. We stress that in your efforts you can count on our full and physical cooperation."

Serbs, Muslims Blamed for Sarajevo Blockade

LD0406155192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1332 GMT 4 Jun 92

[Text] Belgrade, 6 Jun (TANJUG)—At its session today the Yugoslav Presidency acquainted itself with the circumstances surrounding the efforts to evacuate Yugoslav Army personnel—soldiers and cadets—from the Marshal Tito barracks in Sarajevo.

As announced, the Presidency expresses its regret and indignation at the fact that the evacuation has not been carried out yet. Blame should be ascribed to both the Muslim and Serbian sides in Bosnia-Hercegovina.

The Muslim side has not yet created all the conditions of safety necessary for the prevention of attacks by armed Muslim formations.

Unfortunately, the Serbian side attaches more importance to the weaponry kept in the barracks than to the people who should be evacuated, as it has not agreed to leave the weaponry to the Muslim side, thus in effect thwarting the beginning of the evacuation with this attitude.

The Yugoslav Presidency resolutely protests the conduct of both the Muslim and Serbian side, considering it impermissible, and also points out the great responsibility arising from such conduct.

According to a communique issued by the Presidency's Information Service, the Yugoslav Presidency is demanding that the Yugoslav Army General Staff continue its efforts to evacuate personnel from the Marshal Tito barracks safely.

Official Comments on Sanctions, Foreign Relations

LD0506121492 Belgrade TANJUG in English 1019 GMT 5 Jun 92

[Text] Belgrade, June 5 (TANJUG)—The foreign policy of the Federal Republic of Yugoslavia should help ease

the situation resulting from the U.N. economic and political sanctions, regain trust of the international community and a distinguished position in international relations, Assistant Federal Foreign Minister Branko Lukovac has said.

In an interview to the Belgrade weekly NIN, Lukovac said the FR [Federal Republic] Yugoslavia should be an important and active factor of the Balkan, Mediterranean and European cooperation and integration processes. Yugoslavia should also play an important role in the Nonaligned Movement, since the European dimension does not in any way contradict the membership in the Nonaligned Movement, Lukovac added.

He said the Yugoslav diplomacy "has done everything in its power to avert the imposition of sanctions. It has tried to convince the international factors to be impartial when establishing the blame for the conflicts and that sanctions are not the best way to resolve the crisis."

"On the other hand, the Yugoslav diplomacy has tried to make the domestic factors aware of a dramatic deterioration of Yugoslavia's [word indistinct] could be prevented," Lukovic set out.

He said the FR Yugoslavia should improve its relations with the former Yugoslav republics, now independent states, in order to regain its position as a trustworthy and serious member of the international community.

The war in Yugoslavia and the break-up of the former federation have to a great extent upset Yugoslavia's relations with the neighbouring and other countries, including Moslem states ever since the conflict erupted in Bosnia-Hercegovina.

"Solidarity on the ethnic, religious and other bases is understandable...but the interests of the ruling and influential structures in some countries also surfaced. The current stand of some Moslem states should not affect both the present and future contacts and cooperation with them," Lukovic said.

National Bank Denies Selling Gold

LD0506085792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 3 Jun 92

[Text] Belgrade, 3 Jun (TANJUG)—The National Bank of Yugoslavia has not sold a gram of gold on the international market, nor has it secured any foreign debts with Yugoslav gold, the National Bank of Yugoslavia has reported.

Being the only authority entrusted to deal with Yugoslav gold reserves, the National Bank of Yugoslavia is hereby denying such rumors, which were launched by the REUTER news agency citing "sources close to the gold market."

Russia Sends 'Clear' Message in Helsinki

AU0406124392 Belgrade POLITIKA in Serbo-Croatian 23 May 92 p 2

[Miroslav Stojadinovic commentary: "Return of Russians"]

[Text] Although Belgrade's eminent guest, Andrey Kozyrev, Russian foreign minister, rather conspicuously attempted to stifle (or strip off) the character of exclusivity and special relations of his visit to the Federal Republic of Yugoslavia ("the first of such rank" as his collocutor Branko Kostic, vice president of the presidency, put it), and its republics, Serbia and Montenegro, circumstances forced him to abandon his plans to visit the other former Yugoslav republics. He justified that on the grounds of having urgent business in Moscow, but it only served to affect emotions (and illusions) on the local scene, and increased disturbance and speculations abroad, which had already been prompted by the Russian "no" in Helsinki.

That, in this case, had nothing to do with the results of his visit, nor with the fact that Kozyrev will indeed soon be travelling to Zagreb, Skopje, and Sarajevo (the minister's persistence to fly from Belgrade to the capital of Bosnia-Hercegovina at any cost was hampered by "higher forces" and bad weather).

The effect of the Helsinki "surprise" on Europe and the rest of the world was to give rise to questions thought to have disappeared along with the cold war and the Soviet Union, which can be summarized as: What do the Russians really want? One can also ask: Was their first direct and open opposition to their "new allies", the Americans, after several years of unquestioning congruence and approval an indication of the revived Russian self-confidence and their return to the international political scene with a bang?

End of "Poignant Unity"?

The examples of "poignant unity" (bitterly cynical comment by a Russian newspaper) that Moscow has demonstrated with Washington during the last few years—in the cases of Iraq and Libya, for example—have formed certain notions and cliches on the policies of "new Russia", in which some firm elements have become lost, or "neglected", particularly in the Russian foreign policies and preoccupations, whose roots go much deeper than the seven decades of the Soviet and communist times.

Experts on Russian history, traditions, and politics have recently been warning that in that context for a long time up to the break-up of the Soviet Union, the attempts to interpret the foreign policies of this large country exclusively through ideological criteria have overshadowed those firm elements that "had been adopted by the revolutionaries from the tsarist times." The new Russia is not new at all, a commentator of a prominent American newspaper dismissed briskly, analyzing, after the

"Helsinki shock," Moscow's increased and revived ambitions to have its voice heard and respected.

There have even been some hasty reactions and fears that Helsinki might have been a "deja vu," and that, in international forums, the Helsinki episode could have been a sign of a possible return to the times of bitter confrontation between the great world powers.

In all this the unconcealed surprise that the Russians were "no longer silent" obviously played a greater role than the realistic grounds for making such sharp and long-term comments.

Even if it is not a throwback to the times of the "cold war," it is still evident that Russia, after a "forced break" is returning to the international scene with independent foreign policies. "To the great astonishment of many in the West," writes the respectable Munich daily, SUEDDEUTSCHE ZEITUNG, "who would like to see things as they like them and are used to the Russians giving their consent willingly in international forums, these policies are sometimes identical to those of the Soviet Union."

Helsinki Is No Exception

With the comment that changes "change nothing", political analysts support that thesis with very illustrative examples, which had been ignored before the Helsinki surprise in the case of Yugoslavia: the Russian leadership's tactics in the dispute with Japan over the Kuril Islands (Yeltsin does it "with craftiness equal to that of his communist predecessor"); preserving close relations with India, on the same grounds and principles set up by Andrey Gromyko; the attitude toward China is characterized (from the Western point of view) by "respectful distrust," as in the days when Moscow and Beijing were ideological rivals; help to Afghanistan continues, even though the government has been taken over by a new Islamic leadership; arms are still delivered to the Middle East—the difference being only in that Moscow no longer helps and supplies a certain clientele, but sells tanks, aircraft, and missiles to anybody who can afford the hard currency prices....

Now the things that were suppressed during the cold war are becoming clearer even to the West—ideological factors had always played a lesser role in the Soviet foreign policies than was thought at the time. A Western diplomat has recently put it rather well: as in the Russian dolls that break in half only to reveal another one inside, "the Soviet shell has always concealed the Russian quintessence." Soviet policies were always "Russian policies of a great power." Step by step, the "new" Russia will, depending on its own maneuvering possibilities, particularly economic and intrapolitical ones, regain its old positions....

Damage Worse Than Benefit

The Russian "no" in Helsinki has, apart from the foreign political indications, a clear internal message. It is not concealed in the editorials of leading Moscow newspapers, which conclude that, by renouncing its firm stand on the explicit demand by a number of countries to have Yugoslavia expelled from the CSCE, Moscow would benefit (this refers to financial help from the West and threats that it will not be forthcoming unless Russians "revise" their view in Helsinki), but the damage would be perhaps incomparably greater than the benefit.

The IZVESTIYA commentator writes that the representatives of Kiev are counting on this fact, warning that the Russian Foreign Ministry fully understands that "Belgrade is not Baghdad, nor is Moscow Kiev."

Moscow obviously realizes that a new "demonstration of solidarity" with Washington and Bonn would, on the one hand, be profitable, but on the other hand it would undermine "the centuries-old tradition and preoccupation of Russian policies in the Balkans", in which ally relations with Serbia and Montenegro are certainly an important if not the only, element of that tradition.

The government had to take that into account so as not to offer another chance to its opponents, who have already been accusing it of "betraying the Slavs".

Republics' Customs Union To Renew Economic Ties

92BA0961A Belgrade POLITIKA in Serbo-Croatian 13 May 92 p 10

[Article by Blagoje Komljenovic: "Customs Union of the Federal Republic of Yugoslavia, Macedonia, and Bosnia-Hercegovina"]

[Text] Lord Carrington's document for global solution of the Yugoslav crisis, which the diplomat from London placed on the table for the leaders of the former Yugoslav republics at a meeting in The Hague last 18 October, it seems, is coming closer and closer to practical realization. The point of departure for this solution being imposed on us reads like this: "Sovereign and independent republics which are international entities for those republics which so desire." The European Community has already recognized the statehood of three republics, that of a fourth is being disputed because of its name, while Serbia and Montenegro have maintained the continuity of Yugoslavia, the third in terms of form of government and the outlines of its borders.

In the sphere of economic relations, the Carrington document envisages: "The republics will form a customs union to preserve the common internal market on which movement will be facilitated without any sort of customs barriers nor quantitative restrictions. The common internal market will include a joint foreign tariff policy, a joint foreign trade policy, and decisions by agreement as to the division of customs revenues."

In the divisions that have already taken place of what until recently was the unified federation, at least as far as economic relations are concerned, there has been a

certain lack of uniformity. For instance, goods imported into the FRY [Federal Republic of Yugoslavia] from Slovenia and Croatia are subject to customs clearance, but those produced in Bosnia and Macedonia are exempted from that imposition. What is more, dinars may be carried in and out of B-H [Bosnia-Hercegovina] alone, because only the Bosnians have not changed their currency.

What Is a Customs Union

The free circulation of goods among the three new states (Yugoslavia, B-H, and Macedonia) is in a way a precursor of a possible shaping of a future customs union.

"A customs union is established on the basis of an international treaty which precisely sets forth its organization and the way it operates. Its main objective is a unified customs space, enlargement of the internal market in order to increase the social product and achieve better efficiency of the national economies." This is the very brief explanation of its purpose given by Dr. Nedeljko Milakovic, deputy director of the Federal Customs Administration.

Among the members of the union, then, there are no internal tariff barriers, and the stance toward the rest of the world is established on uniform principles. We should recall that at the very outset Slovenia was opposed to this form of economic linkage, and then Croatia also rejected it. The Slovenes have actually been seeking an asymmetrical position for themselves, i.e., they wanted to operate on the former unified Yugoslav market as if it were a customs-free zone. In practical terms, they would like a secure and open market without any sort of material obligations toward it. To be sure, that is the kind of treatment they have had for years.

"It is paradoxical that in the Yugoslav community that existed until recently the richest republic wanted an asymmetrical and privileged position," Dr. Milakovic comments. "It is sufficient to cite the example of the European Community, which on 1 July 1968 grew into a customs union. The less-developed members of the EC (Portugal, Greece, and Spain) were given a specially privileged status, referred to as a preferential status. These advantages remain in effect until the countries reach the general level of development within the framework of the association."

Yugoslavia, B-H, and Macedonia, according to Dr. Milakovic, have approximately the same level of economic development. Thus, their linkage into a customs union would be a logical strategy. The machinery for this community could be quickly established, because there are hardly any opposing interests among them.

Proclamation of the Businessmen

"Businessmen have already taken initiative to facilitate the free movement of goods and people in the space of these four republics," Dr. Nedeljko Milakovic says. "Otherwise, there will be a general economic collapse and inevitable starvation in some regions."

The conflagration of the tragic war is continuing to blaze in Bosnia-Hercegovina, where people are dying wholesale and many factories, transportation routes, and all kinds of property are being destroyed. There has to be an end to that slaughter. Then what? Coal, salt, coke, soda, iron ore, and other goods from Bosnia will rush across the Drina, and food will cross from Serbia for the more than four million Bosnians and Hercegovinians already hungry. Nor is the destiny of the Macedonians, where fortunately there is no war, any rosier without economic ties to its northern neighbor.

The next steps in customs union are the monetary system and the tax system. The common market, which the Carrington document calls for, is established either with a single currency (which we no longer have) or fixed mutual exchange rates and exchange through clearing—the bartering of goods for goods.

Beyond that, there is usually a unified customs service operating in customs unions. Customs revenues, which are the most abundant source of funds for the budgets of these states, are divided up according to an established proportion—on a per capita basis or on the basis of the value of imports. Some of the customs revenues would be set aside for the joint functions of the union members, and an agreement is also possible whereby certain sectors of the economy would be stimulated from the same treasury; for example, this is being done for agriculture in the EC.

Today, the entire world is being linked together into various forms of economic unions. Unitary states in which a policy is conducted that they are sufficient unto themselves are leading their people to the beggar's staff. Yugoslavia as a political and geographic federation was thoughtlessly and rapidly taken apart. In economic terms, however, this is not possible, at least not where reason still exists and reality is looked at objectively.

[Box, p 10]

150 Customs Inspectors Have Moved Out

Because of the well-known political events, border crossings and customhouses in Croatia and Slovenia were abandoned by 150 customs inspectors along with more than 450 family members. Most of them had housing in the places where they worked. Citizens of those republics have moved into their apartments and houses, and some of the housing units have been damaged or completely destroyed.

These figures of the Federal Customs Administration do not include personnel who fled to Macedonia and Bosnia-Hercegovina, nor the personnel who left these two republics. (TANJUG)

[Box, p 10]

Deception of the People

"Something also needs to be said about a grand illusion which is being offered as a strategy and formula for salvation and progress. This is the expectation in Croatia and Slovenia of some kind of vigorous economic program of recovery and development that will be offered them by Germany and Austria. Or again, some of the current Muslim politicians in B-H are talking about the same kind of program that will be presented to them as a gift by the rich Islamic countries. All of that will certainly end up just like Tudjman's deception during the election campaign about the billions of dollars from Croats in the diaspora," Dr. Nedeljko Milakovic says.

Federal

Election Commission Reports on Election Results

LD0406181792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1152 GMT 4 Jun 92

[Text] Belgrade, 4 Jun (TANJUG)—At the last elections for 138 deputies in the Chamber of Citizens of the Federal Assembly, 73 of the 136 deputies elected come from the ranks of the Socialist Party of Serbia [SPS]. These figures were announced at a news conference today organized by the Federal Electoral Commission.

There are still two seats left to be filled in the Chamber after a decision to annul the election by a clear majority of deputies in Sombor and Urosevac because of irregularities. The voting in these two electoral units will have to be repeated. Rajko Nisavic, chairman of the Federal Electoral Commission, explained that this however will not affect the setting up of a new federal parliament as early as mid-June.

After the SPS the largest number of deputy seats—33—has been won by the Serb Radical Party [SRS]; the Democratic Party of Socialists of Montenegro [DPS]—23; The Democratic Alliance of Vojvodina Magyars [DZVM] and the League of Communists-Movement for Yugoslavia [SK-PJ] won 2 seats each. Three seats have been won by deputies representing groups of citizens.

Of the 58 deputies elected under the majority system, 52 are from Serbia and 6 from Montenegro. Of the deputies elected from the lists of the political parties under the proportional system, 54 are from Serbia and 24 from Montegero.

On the basis of the number of votes they received, only 4 out of 21 political parties which had candidates on the lists of the political parties have gained the right to take part in the distribution of mandates. These are the SPS, the DPS of Montenegro, and the SK-PJ. The other parties won less than 5 percent, and under the Federal Electoral Law do not qualify to take part in the distribution of mandates.

According to the results announced today by the Federal Electoral Commission, of the electorate of the Federal Republic of Yugoslavia numbering 7,277,471 voters, (Serbia 6,848,247 and Montenegro 429,224), 4,080,465 voters, or 56.06 per cent, voted.

The Federal Commission says that the Serbian Republican Commission's report cites a different electorate listed by Serbia's register. The electorate relating to the list of candidates numbers 6,687,216 voters, of whom 55.79 percent turned out at the polling stations, while the list of political parties numbers 6,848,247 voters, of whom 55.98 percent cast their votes.

Montenegro's electorate includes 429,224 voters, of whom 57.45 percent turned out for the election.

The list of the SPS has won 1,665,485 votes of Serbia's citizens, that is 43.44 percent, the number which secured 31 mandates.

The list of the Serbian Radical Party [SRS] has won the support of 1,166,933 voters, or 30.44 percent, and of 20,519 voters in Montenegro, accounting for 9.7 percent. This party has won—in proportion to the number of its votes—23 seats in Serbia and 3 in Montenegro.

The list of the Democratic Party of Socialists of Montenegro is favored by 140,216 voters, 66.31 percent, thus winning 19 mandates for this party, while the League of Communists-Movement for Yugoslavia has won 2 seats, thanks to 10,784 voters, which is 5.1 percent of those who turned out at the polling stations.

According to the Federal Electoral Commission's findings, "the elections were carried out in accordance with the law, and the organs for carrying out the elections reacted in a timely way to all the irregularities which could have influenced the election results."

Noting that the processing of complaints is not under the authority of the Federal Electoral Commission but under electoral commissions at constituency level, and ultimately of the Federal Court's institutions, members of the Federal Commission said that the court has so far received seven complaints. The last one was received yesterday, so it has not been processed yet while the remaining six have been dismissed because they were either submitted too late or were unfounded.

Representatives of the five parties which have secured the right to delegate their members to the ranks of the Federal Commission on the basis of the number of their candidates praised their cooperation with the commission. This was confirmed by Drasko Markovic, an SRS representative, who took the opportunity to voice his doubts about the regularity of the elections. The SRS's complaint refers to the large number of invalid ballots—nearly 450,000. There are indications that the damage suffered by the SRS amounts to a large percentage.

Responding to remarks by Ranko Djukic's, secretary of the Yugoslav Assembly Information Service, to the effect that he knew of one of the voters who circled only the

name of one of the candidates on the parties' list instead of voting for the SPS, Markovic noted that as far as the SRS is concerned there have been as many as 400,000 such cases, the number of invalid ballots, which included votes for Vojislav Seselj.

Inflation Outstrips Wages, Unemployment Benefits

AU0406140192 Belgrade BORBA in Serbo-Croatian 20 May 92 p 32

[Unattributed report: "Salaries Do Not Follow Prices"]

[Text] Belgrade—The average March salary of 2.5 million workers in the Federal Republic of Yugoslavia was 27,403 dinars. This was reported yesterday by the Federal institute for Statistics.

Salaries in March were 40.5 percent higher than in February, but since they were paid and spent in April, when inflation reached 78.1 percent, their buying power was more than halved.

Judging by the rampant inflation, salaries will remain well behind prices this year, too.

Salaries in the public sector averaged, 32,147 dinars and 26,340 dinars in industry.

The employed in Montenegro received 27,215 dinars, and those in Serbia 27,415 (Serbia proper—27,093, Kosovo and Metohija—19,650, and Vojvodina—30,020) dinars.

In comparison with last March, this year's salaries have increased 352.8 percent.

Serbia

Belgrade TV Broadcasts Milosevic Interview

AU0406123692 Belgrade RTB Television Network in Serbo-Croatian 2115 GMT 3 Jun

[Interview with Serbian President Slobodan Milosevic by correspondent Gaby Rado in Belgrade on 3 June, in English with superimposed Serbo-Croatian translation; from the "Dnevnik 3" newscast;—recorded]

[Text] [monitored in progress] [Milosevic] ...happens here we can reach some—what we can consider—justful solution to our country.

[Rado] Mr. President, how do you answer the accusation that in the statements that you yourself have made over the past four years, you have created an expectation amongst the Serbian populations in Bosnia and Croatia that you would support them in breaking away from their own republics?

[Milosevic] No. You can check very strictly everything that was our policy. We had a policy to have a continuation of Yugoslavia, to preserve Yugoslavia as a country which existed—and Yugoslavia—we were blamed that we want to create greater Serbia; that was not in any time our policy. We were very clearly proving and explaining all the time that Serbia doesn't have any territorial pretension.

[Rado] What effect do you expect sanctions to have on Serbia?

[Milosevic] Sanctions will have a very bad effect on the Serbian economy. For we are not an island, we are cooperating, our environment is world market, but I hope that sanctions will be lifted after clarification of a situation in Yugoslavia, after truth come on a scene. Now on the world political scene are interests and power, not truth and justice.

[Rado] How concerned are you about the possibility of foreign military intervention here, and what steps are you taking against it?

[Milosevic] I wonder how anybody can start any military intervention against a country where peace exists on every square centimeter and which is not having any armed personnel anywhere out of that country. We are not phantoms; we don't have Army which can have secret actions. We cannot hide that in front our citizens. If we had any soldier out of Yugoslavia, we could have protests of our citizens, of parents and relatives and everybody. It is completely clear to all our people, to all our citizens in Serbia that we really do not have that. How can anybody find a basis for any kind of intervention against us, as we have no military action against anybody?

[Rado] Do you think it's a possibility?

[Milosevic] Well, that can be a completely unjustified action, an aggression against us. That happens. However, I don't think international community can support something like that.

[Rado] If the best path to peace now seems to be your own departure from office, your own departure, would you accept that?

[Milosevic] Yes, absolutely. If that is the price for lifting sanctions or for a just solution, it is the cheapest way. This is no problem at all. I shall tell you: Who can be happier because of that—my children, my wife, my family? This is no problem at all. The problem is absolutely different. The problem is the continuation of the existence of our country and the right of our people to put in order on their own will how they are going to live together, not to be dictated from outside.

[Rado] It must concern you, though, that you are not trusted by the world community. People say that you are not believed. Does that concern you, that attitude from the outside?

[Milosevic] Absolutely, but just because of that I am saying don't trust me.... [changes thought] If you don't trust me, do not do so, but do send people to check. Trust your own eyes, not me.

[Rado] Mr. President, thank you very much.

[Milosevic] I thank you too.

Draskovic Expects Government Change in 2 Weeks

LD0406191192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1655 GMT 4 Jun 92

[Text] Belgrade, 4 Jun (TANJUG)—Serbian Renaissance Movement leader Vuk Draskovic said in Belgrade today that he expects a change of government and the formation of an interim government within two weeks.

He told a news conference that the international sanctions should be seen as the last warning to the Serbian people that its main enemy is not in Washington or in Moscow, but in Belgrade.

"We expect that in two weeks time, forces around the Democratic Movement will save Serbia from catastrophe and take over power from Slobodan Milosevic, who enjoys the support of just a quarter of the citizens of Serbia," Draskovic said.

Sees Transitional Government

LD0406210692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1748 GMT 4 Jun 92

[Text] Belgrade, 4 Jun (TANJUG)—Serbian Renaissance Movement [SPO] leader Vuk Draskovic said in Belgrade today that he expects a change of the current regime in Serbia and the formation of a transitional government.

During talks with a noticeably large number of foreign journalists, Draskovic noted that "the international community sanctions should be understood as the last warning to the Serbian people that its main enemies are not in Washington or Moscow but in Belgrade."

"I expect that the forces gathered around the Democratic Movement of Serbia [DPS] will in around a fortnight save Serbia from the catastrophe and take over power from Slobodan Milosevic, who has barely one-fourth of the citizens of the republic behind him," said Draskovic.

Referring to the "controllers" from among the members and supporters of his own party, and also some members of the electoral commissions who are members of the SPS, Draskovic claimed that some 30% of voters turned out in the elections. Given that a number of them voted only for state symbols and not for deputies, the official authorities, according to his assessment, could barely count upon 25% of the voters.

The SPO leader interprets the difference between these and the announced results by saying that they were "rigged" after the Serbian president announced a "triumphant victory" in his interview on Belgrade Radio.

Draskovic refused to comment on how serious Milosevic was when making a statement for a British television channel that he is prepared to resign. However, he said that "the only thing left is for democratic Serbia to follow the steps of Prague and Sofia, whose citizens remained in the streets until their governments were replaced."

Draskovic said that the change of government in Belgrade would have an effect on Zagreb, Sarajevo, Ljubljana, and Skopje, and that it would open up the possibility for talks on economic and political reintegration.

Commenting on the events in Bosnia-Hercegovina, Draskovic said that "historic truth is truly on the side of the Serbian people," but that the current regime "defeats and dishonors the national interests of the Serbs."

"Every bomb dropped on Dubrovnik, Sarajevo, Tuzla, or Mostar was dropped on the honor and rights of the Serbian people. Crimes are committed by all sides, but none as clumsily or with such a conspiratorial air as by the one which claims to be protecting the interests of the Serbian people, while thousands of Serbs are being silently slaughtered by those other ones," said Draskovic.

The SPO leader denied rumors about an alleged conflict with Democratic Party leader Dragoljub Micunovic.

Commenting on the proposal to form a coalition government with the parties which went to the elections, he said that "the SPO has nothing to do with such people."

Asked whether he is prepared to step in as Serbian president if such an opportunity should arise, Draskovic replied that he is "prepared for any job which would help Serbia"; asked what he would do in this case he said, "Wait until I am in such a position."

Students Call for National Salvation Government

LD0406213292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1437 GMT 4 Jun 92

[Text] Belgrade, 4 Jun (TANJUG)—Students held a one-hour protest meeting today outside the building of the electronics engineering faculty, demanding that a government of national salvation be formed.

"We are asking all capable people, regardless of what parties they belong to, to replace those who prove to be unsuccessful, and whose inability has, if not caused, then at least contributed to such a speedy downfall of Serbian citizens, tarnishing their reputation, reducing their standard of living, and making their dignity suffer." This is stated in the proclamation which was read out several times, even in English.

Around 1,000 students, mainly studying technology, paid tribute to those killed in this war with one minute of silence. They were then invited by their colleagues from

the electronics engineering faculty, who organized the meeting, to sit down on the pavement and express their dissapointment at the situation in the country by remaining silent.

There was, however, no shortage of slogans, many of which were surprisingly in English. Inscriptions on placards read: "I am still dreaming," "SPS - Guns and Roses," "Communists, get out of Serbia," and "God of Justice, save the Serbs."

At the end of the meeting the electronics students informed those present that consultations were under way with other faculties, because the situation requires that this protest must not be the end of the matter.

Seselj Comments on Elections, Sanctions, Bosnia

AU0406170092 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 4 Jun 92

[Text] The Serbian Radical Party is basically happy with the results that were achieved at the elections for federal deputies, even though it has serious objections to several irregularities. This was said at a news conference by Vojislav Seselj at a news conference by the Serbian Radical Party. Dragoljub Stankic has a report:

[Begin recording] [Stankic] The elections for federal deputies have to be repeated, Seselj said, in three constituencies, Sabac, Cukarica, and Odzaci because of several irregularities. The most important irregularity was that four-fifths of the invalid papers for the list of deputies belong to the Serbian Radical Party because the voters circled the name of the candidate who presented the party's list [nosilac liste], instead of the number of the party. Regarding the local elections, the new candidates of the Radical Party are going into the second round, but according to Seselj, they do not have much chance because of the majority system and the party's lack of organization. The Serbian Radical Party will therefore embark on a transformation at Saturday's session of the party's main committee.

The Serbian Radical Party condemns the decision of the United Nations Security Council and calls on the Government of Serbia to formulate measures to prevent social unrest. Such a move is to the detriment of the opposition, which we also belong to, Seselj said, because it only (?strengthens) the authorities around which the people are now gathering.

According to Seselj, there will be no conflict and unrest in Serbia because the parties that would organize this do not have a stronghold among the Serbian people. In reply to a question on how to stop the war in Bosnia-Hercegovina, Seselj said the only way was to divide it into three confederal units. In response to the comment that this was Milosevic's stand, too, Seselj said:

[Seselj] This is the formula of the Serbian people in Bosnia-Hercegovina. This is not our formula nor the formula of President Milosevic. We are simply following the policy of the Serbian people in Bosnia-Hercegovina. [end recording]

New Political Movement Outlines Goals

AU0406143592 Belgrade POLITIKA in Serbo-Croatian 24 May 92 p 7

[Z. Radisavljevic report: "Democratic Movement of Serbia Founded"]

[Text] Yesterday at the Serbian Writers Association at 7 Francuska, the Democratic Movement of Serbia [Depos] was founded. The session was closed to the public. There was a news conference in the afternoon and journalists were informed about the decisions reached at the session.

The main aim of Depos is to establish, as soon as possible and in a peaceful way, democratic order in Serbia. The main conditions necessary for achieving that aim are to hold free elections for a constituent assembly, which will establish a state order on new foundations, decide on the form of government, and cancel all elections called for 31 May. If these demands are not met, Depos will call for a boycott of the elections and consider the election results void.

Same Conditions for All

Depos also wants to hold roundtable talks with the ruling party, opposition parties, and outside party elements, who will, on equal terms, prepare elections for the constituent assembly, demand a ban on and disarmament of all private armies, paramilitary units, and armed groups, and give amnesty to all those who did not want to take part in the undeclared war. They also demand just compensation for all war victims.

The Depos manifesto handed out to journalists yesterday demands that Prince Aleksandar and the Karadjordjevic family be allowed to return to Serbia and that the constituent assembly decide between a monarchy or republican government.

Only a democratic Serbian state, the manifesto says can be acceptable to the international community and a successful protector for the entire Serbian population. Only a democratic Serbia can guarantee its citizens full equality before the law, the rule of law, all rights for ethnic minorities that belong to them according to international agreements, and other legal regulations.

Over 3,000 Signatures

The Depos manifesto calls on all democratic political parties, institutions, organizations, and individuals to join its ranks if they are ready to work for a change in the present regime, on the establishment of a true democratic order, and unification of all popular forces with the aim to provide for Serbia the place that rightly belongs to it in the community of free and civilized nations of the world.

At the news conference Dr. Vladeta Jankovic explained that Depos united four political parties and a large number of individuals, who supported the initiative for the formation of Depos with over 3,000 signatures. Political and strategic decisions will be made by the Depos council and all other decisions by the executive committee of the council. The Depos council would decide on the admission of parties, associations, institutions, and syndicates into Depos. Individual citizens would become members by signing the initiative on the formation of Depos.

The movement's activities, according to Kosutnica, would include publishing declarations and statements, organizing discussions and meetings, and all other forms of democratic action.

According to Borislav Mihajlovic Mihiz, the basic aim of Depos is to establish a democratic movement in Serbia, and holds that a constituent assembly is the best way of achieving that aim.

The first session of the Depos council will be held on Tuesday or Wednesday.

Economic Sanctions To Hurt Enterprises

LD0406205892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1552 GMT 4 Jun 92

[Excerpts] Kragujevac, 4 Jun (TANJUG)—There is no enterprise in Sumadija and the Morava River basin which will not be hit by the international economic blockade. This was said at an expanded session of the presidium of the regional economic chamber held in Kragujevac today. [passage omitted]

Businessmen were unanimous in their assessment that instead of adopting "measures for suffering," a demand should be sent to the Serbian and Montenegrin Governments to urgently see whether there are possibilities for removing causes for punitive measures because it is obvious that the blockade will be total and that it will last long.

Costs May Cause Closing of Daily Newspapers

AU0506113192 Belgrade BORBA in Serbo-Croatian 26 May 92 p 5

[Unattributed report: "Newspapers Could Stop Coming Out"]

[Text] At yesterday's urgently-called meeting of directors and chief editors of POLITIKA, VECERNJE NOVOSTI, BORBA, and EKSPRES POLITIKA, the main question that was discussed was whether there would soon be a dramatic reduction in the scope of informative and political newspapers in Belgrade, or even complete suspension of them on certain days.

The meeting underlined the fact that daily newspapers are currently coming out at a cost that means dramatic losses for the publishers. In the first place, the price of paper is increasing drastically and so are the costs of primary products, energy, and transportation. In February, this had led to a situation where selling prices could not cover the printing costs of publishers of daily newspapers. Yesterday's increase in the price of daily newspapers will lead to a further reduction in their circulation, which will in turn cause further financial difficulties for the publishers, although even this new, and, for the readers, certainly high price is not enough to cover the costs of printing and transportation alone.

The directors and chief editors of VECERNJE NOVOSTI, POLITIKA, BORBA, and EKSPRES POLITIKA, were united in the assessment that the publishing houses had done all they could to rationalize and reduce the costs of publishing daily newspapers. They estimated that at the moment the problems facing publishers could not be solved without much more active support from the government of Serbia, primarily in stopping any further increase in the price of paper, which had a crucial influence on the financial position of the publishers, and in the selling price of newspapers.

Taking into consideration that all previous warnings about the seriousness of the situation did not lead to any concrete solutions, the directors and chief editors of the aforementioned newspapers decided to send a public appeal to the Serbian Government for an urgent solution to the problems facing publishers, so as to avoid the danger of daily newspapers simply not coming out at a time when updated and quality information is of the utmost importance.

Vojvodina

Hungarian Leader Denies Split in Organization

92BA0891A Novi Sad MAGYAR SZO in Hungarian 1-2 May 92 p 7

[Interview with Andras Agoston, president of the Democratic Union of Hungarians in Vojvodina, by Marta Varju; place and date not given: "We Share One and the Same Fate"—first paragraph is MAGYAR SZO introduction]

[Text] The general assembly of the VMDK [Democratic Union of Hungarians in Vojvodina] took place in Kanizsa [Kanjiza] without incidents, under the tightest security, and afterwards various bits of news began to trickle out. In order to avoid misunderstandings and clear up misinterpretations, we asked the president of the VMDK, Andras Agoston, for an interview to shed light on some possibly obscure questions.

[Varju] What personal changes occurred among the membership?

[Agoston] There were two reasons for personal changes: On the one hand, because part of the members are abroad; on the other hand, because some members gave

up their membership for various reasons. We acknowledged their merits and accepted their resignations during the general assembly.

[Varju] Rumor has it that there is a split in the organization.

[Agoston] This was expected by many from the beginning, but there is nothing of the sort yet. I think the VMDK has been united from the beginning; there have been disagreements among members of the board about certain questions, but we agreed on the fundamental issues. Nothing can prove this better than the fact that two of those people whose resignations we have accepted had begun to organize a branch of the VMDK in Szeged. It is not at all the case that those who left the VMDK did so because we quarreled with them.

[Varju] Talking about resignations, what did you think of Istvan Nemeth's leaving the VMDK?

[Agoston] We had mixed feelings. He left the VMDK the same way he came. When he joined us, he was only prepared to sign on certain conditions.

[Varju] The press in Belgrade reported that the VMDK split in two, a stronger and a weaker fraction, that is to say, the hawks and the doves.

[Agoston] One can only smile at the eagerness demonstrated by the Sunday and Monday issues of the newspapers, especially those of the Political Publishing House. They are trying to justify the conversion of their tone after the negotiations with Milosevic. We told them unambiguously right there in Kanizsa how things stand, but of course these papers, which had been spewing fire at the VMDK and the Hungarians in Vojvodina, had to give a reason why they were informing the public in a more or less correct way this time. According to the new ideas, this VMDK can be supported because the hawks left the council and the board. To this I would only add that everyone has a right to think what he believes is the best, and the future will show the papers, too, that a certain correction will continue to be necessary.

[Varju] How would you characterize the atmosphere of the negotiations with President Milosevic, and are the results promising?

[Agoston] They were correct, open talks; we created a fruitful foundation for further dialogue—because there are no politics without dialogue. I cannot say that our views came closer even an iota, but this was not our goal. We agreed to form a joint committee which will try to come to an agreement on the questions brought up by the VMDK. The Serbian leadership will have to decide as soon as possible if it wishes to maintain a policy in domestic and foreign affairs which is based on the unilateral idea that Europe can be duped. It must evaluate carefully the fact that, considering its political weight, it ought to try to fit into the political framework designated by the leading powers and the international organizations for the process of European reorganization.

[Varju] You have been propagating autonomy, which the Serbian leadership is very allergic to.

[Agoston] Indeed, it is not an acceptable solution for them, since if it were acceptable, they would have included it in the Constitution. In the end they must decide whether they will accept what Europe says or whether they want to continue to apply a method which I think has proven to be completely inadequate. If they accept the European point of view, then we must talk about autonomy.

[Varju] Did you conduct talks with the representatives of other minorities about your ideas?

[Agoston] We are in contact with the organized minorities; we gave them the material. They know our ideas, and we can sense their interest. It seems, however, that a fermentation which would make the practice of personal autonomy a political necessity has not yet begun. The formation of a political consciousness is still in another stage here.

[Varju] Why was it necessary to hold the general assembly behind closed doors? Were you not afraid of possible reactions?

[Agoston] Possible reactions did not influence our decision at all. We simply wanted to work in peace. I must admit that we were afraid of a discussion in which those who live scattered throughout various areas—Banat Hungarians, South Bacska Hungarians, West Bacska Hungarians—would become estranged from those who live in areas where they are the majority. We were apprehensive that the concept of three kinds of autonomy may not be completely understandable to every delegate, that there may be some who feel that they are being pushed into the background. We also assumed that the meeting would be well into its second day before we clarified these issues. In the end, all this was unnecessary because the delegates quickly and correctly understood the crux of the matter, namely that we demand all three kinds of autonomy at the same time. Therefore, a closed session was not necessary; however, I must react strongly to the possibility that anybody other than the leadership of the VMDK should decide whether we hold a closed session or not. I am very sorry that many Communist journalists were unable to shed the old mannerisms and did not realize that in every democracy in the world the leadership at the top of the party decides what form a meeting will take. Lamentations like these were never published in connection with the communiqus which reported the Socialist Party's series of closed sessions. Maybe we should have given out a little more information on the topic of the general assembly itself, but since we did not want to publicize the crux of the matter prematurely, and did not want to increase the possibility of political misunderstanding, we decided that this was unnecessary. Now we are saying again that

the material will be published, that everyone will be able to read it and form an opinion about it, and in the end, if he likes it, he can support it.

[Varju] Before the meeting started, did you notice any fear among the assembled delegates?

[Agoston] I don't know; no one said he was afraid. The atmosphere was tense in the beginning, but later it became relaxed. I didn't notice fear on anybody's face. I am convinced that what happened in connection with Kanizsa has benefited not so much the Hungarians living scattered throughout various areas, but rather the Hungarians living close together who had treated the question of being a minority as trivial. After the appearance of the menacing henchmen, even the North Bacska Hungarians realized that we share one and the same fate; it doesn't matter where one lives—those who were able to frighten the Hungarians in South Banat, South Bacska, and West Bacska can reach everywhere. Up to now people in Kanizsa did not know this.

[Varju] In spite of the fact that the Hungarians in Kanizsa live close together, fear could be discerned among the population earlier.

[Agoston] Look, it is one thing when I can go to the store and I don't have to think about which language to use, and it is another thing when I cannot speak Hungarian to begin with because they might not be able to answer in Hungarian. This is a qualitative difference, and I have not even mentioned yet that people in North Bacska are able to see programs on Hungarian television. From this point of view the assembly was useful; I think the Hungarians have become unified, and now we all know that we share one and the same fate, and that one cannot give priority either to the Hungarians who live close together or to the ones who live scattered throughout various areas.

Opposition Parties Strive for Cooperation

92BA0977B Novi Sad MAGYAR SZO in Hungarian 16 May 92 p 10

[Article by V-e: "Fear and Anxiety; The Opposition With a Democratic Outlook in the Village of Verbasz [Vrbas] Tries To Recommend a Solution for Recovering From the Adverse Situation by Taking a Joint Stand"]

[Text] Opposition parties with a democratic outlook operating in Verbasz have discovered that they could act only jointly; for this reason they agreed to fight jointly for common goals. The other day they addressed the citizenry in the form of a communique in which they stated that "The fact that Serbia has humiliated us is a tragic fact of our political reality. The people of Serbia were left without friends, the country without allies, and society without a future. Serbia is not a constitutional state, but it is not even a real state," the communique said; it was signed by representatives of the Democratic Party, the Democratic Reform Party of the Vojvodina, the Serbian Renewal Program, the Serbian Liberal Party, the New Democracy Movement for Serbia, and the VMDK [Democratic Association of Hungarians in the Vojvodina]. The above-mentioned opposition parties encourage cooperation among citizens irrespective of their nationality and religious affiliation. To accomplish this, they recommend the establishment of a citizens' forum to act to achieve democratic solutions.

The opposition criticized the leadership of the village for belittling the opposition and the citizenry. This leadership has not only failed to permit the publication of opposition statements, but (through its komcsszars [as published; play on words: communist commissars]) it has continuously impeded the publication of information about direct threats to ["that directly endangered"] the citizenry of the village. Not too long ago a group of so-called "red caps" surrounded the building belonging to the Interior Ministry secretariat in Verbasz, and those in charge released no information whatsoever about the event. The democratic opposition condemns this and similar political violence and demands that those in power publicize what they are doing to restrain these people. The citizenry is going to continue to live in fear as long as such information is not forthcoming.

Crowd Gathers To Support Mobilization Resisters

92BA0977A Novi Sad MAGYAR SZO in Hungarian 15 May 92 p 7

[Article by Ger, (tg): "Those Mobilized at Oromhegyes Are Steadfast; The Populace Provides All Kinds of Help; Bozovic and Negovanovic Also Invited"]

[Text] About 1,000 people gathered Wednesday evening at the Zitzer Club garden restaurant of Oromhegyes (many were left outside the fence) to encourage between 100 and 150 reservists, some of whom have hung out there since Sunday and whose number is on the increase. In addition to local people, persons who have been mobilized and who have refused orders to report for duty have also arrived from Kanizsa, Adorjan, Totfalu [Totovec], Orom, Felsohegy, Bogaras, and elsewhere. The reservists work during the day, but gather again after work, and a significant number of them spend the night at the Zitzer Club.

At early dawn yesterday the Oromhegyes crisis staff issued a communique concerning the events of Wednesday evening, when people's representatives Dr. Sandor Pall and Jozsef Kasza, as well as Dr. Csaba Sepsey, Karoly Dudas, and Jozsef Forgo, paid visits to those who refused orders to report for duty, as well as to their relatives. They assured the reservists of their support and encouraged them to endure in their struggle. The leaders of the village of Kanizsa, including Mayor Otto Sarnyai, were also expected to appear in Oromhegyes, but he did not appear, and this was regarded as an indication that it would not be possible to cooperate with the leaders of the village of Kanizsa, and that no help could be expected from these leaders by the persons mobilized in resolving their problem. the communique

said. Those gathered assured the men refusing to obey mobilization orders that they would stand on their side for weeks and even months if needed, and that they would establish conditions for their survival. On Wednesday evening the recording crew of the Hungarian television program FEKETE DOBOZ [Black Box] was on its way to Oromhegyes, but a police patrol at the village borderline ordered the crew to turn back.

Aid is constantly arriving at Oromhegyes. Crisis staff members Maria Lukacsi and Lukacs Szabo said that the populace has become united: Small tradesmen and private shopkeepers have collected donations both locally and in Kanizsa, and the Univerzal commercial enterprise has also offered help. Many people—acquaintances as well as strangers—are coming here to provide food and other gifts to those who demand the cessation of mobilization and the return of those at the front and who escaped abroad.

We conversed with Nurse Laura Kavai at the health clinic next door to the Zitzer Club: "The nearest telephone is here," she said, "this is where reports are received. We remain on duty because of the large crowd, but no intervention has been necessary thus far; no first aid has had to be given to anyone. A man over 40 who received mobilization orders was given tranquilizers because he was worn down by all the commotion related to mobilization."

The crisis staff called an international press conference for Thursday evening; they invited Radoman Bozovic, the head of government, and Minister of Defense Marko Negovanovic, among others.

Impact of New Education Law on Minority Weighed

92BA0977C Novi Sad MAGYAR SZO in Hungarian 20 May 92 p 1

[Editorial by Erika Kabok: "There Will Be a Hungarian Secondary School"]

[Text] The Serbian parliament voted to approve the government's proposal concerning minority language secondary schools, according to which teaching in secondary schools will take place in the minority language, and even in two languages if at least 15 students so desire. Teaching for fewer than 15 students will be arranged subject to the ministry's approval.

The yearlong war of nerves has come to an end. We are relieved at last: They did not terminate our existing minority secondary schools with a single stroke of the pen.

The above decision should be regarded as a giant step forward, considering that in the course of the past year there have been discussions about 30 students, about discontinuing specialized schools for the minority, about considering schools where teaching takes place in minority languages as foreign language school, and so on. And we must not forget that the revelation of these proposals has scared us to an extent that we are now able to rejoice over the lesser evil the same as if it were the perfect solution. Even though it is far from being perfect.

Comparing these provisions with the old Vojvodina law, the new law clearly amounts to a step backward, because while the new law balances minority language teaching with bilingual teaching, the old law provided only for minority language teaching, according to the above. And with this, the thesis that holds that those in power maintain all the rights we previously had also falls flat on its face.

These provisions do not necessarily present a threat, but they conceal a threat, because we know from experience that a few institutions in which teaching has and has not been going on in a given language have been designated as minority language schools before. I am afraid that henceforth schools are not even going to endeavor to obtain teachers whose native language is Hungarian, but instead, consistent with law, minority-language teaching in our secondary schools is going to become bilingual.

Despite our rapture, we cannot avoid asking this question: How did the above legal provision come about? International public opinion is obviously watching the kinds of decisions parliament makes. Discontinuing or downscaling teaching in minority languages would not have helped Serbia's ruffled prestige at all.

We must continue to keep in mind the tremendous damage inflicted during the past years by various attempts to downscale minority education.

We who have stayed here want to go to school here, and the kind of school we want to go to is not a matter of indifference. Less courageous parents might have recoiled recently, and this is why we hear scary news from everywhere: Fewer and fewer first graders enroll in minority schools. Whether native-language education remains or withers away in a given, existing secondary school of ours depends on us, too. We do not deserve to have our own schools if we do not want our children to study in their native language. Teaching in our native language represents an issue of survival and existence to us, and this must not only be voiced. Instead, we must also learn how to take advantage of our rights in the interest of our present day lives and our future.

Montenegro

Bulatovic: 'No Alternative' To UN Demands

LD0506122192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1001 GMT 5 Jun 92

[Text] Podgorica, 5 Jun (TANJUG)—I believe that it is clear to every one that the international community's sanctions are of such a nature and range that one should simply understand that there is no alternative but to comply with the Security Council demands, said Momir

Bulatovic, president of the Presidency of Montenegro, at a session of the republic's parliament today.

At the same time, he stressed that illusions that one can live with these sanctions should not be fuelled. He concluded that everything should be done to establish conditions to lift the embargo.

The introduction of the next stage of sanctions, stressed Bulatovic, will essentially mean war and catastrophe.

President Suggests Reexamination of Federation

LD0506095792 Belgrade TANJUG Domestic Service in Serbo-Croatian 0705 GMT 5 Jun 92

[Text] Podgorica, 5 Jun (TANJUG)—Montenegro President Momir Bulatovic has indicated that "the federation between Montenegro and Serbia could be reexamined," ASSOCIATED PRESS has reported. In a statement to an ASSOCIATED PRESS reporter, Bulatovic indicated the possibility of a fresh referendum on the issue "if the UN sanctions against Serbia and Montenegro prove to be of a prolonged nature." Speaking in Podgorica, Bulatovic said: "I allow the possibility that we have made a mistake." He added: "Changes are possible."

"We are still maintaining relations with the Serbian authorities, but there is a great desire to... find out what mistakes we have made," Momir Bulatovic said. "This trend will be generally corrected," he added.

ASSOCIATED PRESS, a U.S. news agency, notes that Bulatovic's statement is the first public sign of a rift within the Yugoslav Federation since the United Nations decided to impose sanctions against it.

According to ASSOCIATED PRESS, asked about the possibility of Slobodan Milosevic resigning, Bulatovic said: "That is something that the Serbian nation should decide."

Gasoline Prices Rise 100 Percent

LD0406145292 Belgrade TANJUG in English 1257 GMT 4 Jun 92

[Text] Podgorica, June 4 (TANJUG)—The prices of petrol in the Yugoslav Republic of Montenegro rose 100 percent on Thursday.

The litre of the two-star petrol costs 666 dinars (two dollars at the official exchange rate, or 70 cents at the unofficial), and the four-star gasoline is sold for 750 dinars (2.3 dollars, or 80 cents), the Montenegrin Government said on Wednesday.

Montenegrin Industry Minister Miodrag Gomilovic said the government would take all measures to secure regular supplies of oil derivatives, despite the economic blockade.

The U.N. Security Council last Saturday imposed an economic and political blockade on the Federal Republic of Yugoslavia, comprising Serbia and Montenegro.

Minister Gomilovic said the Montenegrin Government will soon define the ways of oil-rationing and priorities in the consumption of oil derivatives.

The prices of petrol in Serbia rose 100 percent on Tuesday. According to reports from petrol stations, the new prices did not reduce the demand.

Macedonia

TANJUG Issues Protest to Information Ministry

LD0406225792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1750 GMT 4 Jun 92

[Text] Skopje, 4 Jun (TANJUG)—TANJUG's Skopje bureau filed a protest today with the Macedonian Information Ministry over unlawful and unconstitutional efforts by the ministry to confiscate TANJUG property and facilities in Skopje. TANJUG has been in possession of these items for over 17 years.

TANJUG claims that the culmination of these attempts, which have been continuing for several months, was yesterday's attempt by ministry officials to forcefully confiscate premises and property. TANJUG asks in its protest letter for the Information Ministry to halt such unlawful attempts.

Copies of the letter were sent to the Macedonian President Kiro Gligorov, Prime Minister Nikola Kljusev, Assembly Speaker Stojan Andov, and Foreign Relations Minister Denko Maleski.